

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2026

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 001-09819

DYNEX CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of incorporation or organization)

140 Eastshore Drive, Suite 100

Glen Allen, Virginia

(Address of principal executive offices)

52-1549373

(I.R.S. Employer Identification No.)

23059-5755

(Zip Code)

(804) 217-5800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	DX	New York Stock Exchange
6.900% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share	DXPRC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

On April 24, 2026, the registrant had 215,150,907 shares outstanding of common stock, \$0.01 par value, which is the registrant's only class of common stock.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DYNEX CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS
(\$s in thousands except per share data)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
ASSETS	<i>(unaudited)</i>	
Cash and cash equivalents	\$ 773,138	\$ 531,043
Cash collateral posted to counterparties	516,502	399,344
Mortgage-backed securities (including pledged assets of \$22,120,332 and \$14,593,470, respectively), at fair value	22,943,257	16,306,988
Due from counterparties	3,434	17,425
Derivative assets	695	10,498
Accrued interest receivable	97,454	67,940
Other assets	8,872	8,940
Total assets	<u>\$ 24,343,352</u>	<u>\$ 17,342,178</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Repurchase agreements	\$ 21,045,457	\$ 13,904,231
Due to counterparties	379,893	811,656
Derivative liabilities	14,121	4,830
Cash collateral posted by counterparties	—	8,373
Accrued interest payable	131,426	95,196
Dividends payable	41,893	37,171
Other liabilities	9,292	18,577
Total liabilities	<u>21,622,082</u>	<u>14,880,034</u>
Shareholders' equity:		
Preferred stock, par value \$0.01 per share; 50,000,000 shares authorized; 4,460,000 and 4,460,000 shares issued and outstanding, respectively (\$111,500 and \$111,500 aggregate liquidation preference, respectively)	107,843	107,843
Common stock, par value \$0.01 per share, 360,000,000 shares authorized; 207,154,465 and 174,814,912 shares issued and outstanding, respectively	2,072	1,748
Additional paid-in capital	3,368,130	2,921,551
Accumulated other comprehensive loss	(127,209)	(127,061)
Accumulated deficit	(629,566)	(441,937)
Total shareholders' equity	<u>2,721,270</u>	<u>2,462,144</u>
Total liabilities and shareholders' equity	<u>\$ 24,343,352</u>	<u>\$ 17,342,178</u>

See notes to the unaudited consolidated financial statements.

DYNEX CAPITAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(\$s in thousands except per share data)

	Three Months Ended	
	March 31,	
	2026	2025
INTEREST INCOME (EXPENSE)		
Interest income	\$ 257,390	\$ 95,059
Interest expense	(178,136)	(77,926)
Net interest income	79,254	17,133
OTHER GAINS (LOSSES)		
Realized gain on sales of investments, net	8,721	—
Unrealized (loss) gain on investments, net	(251,811)	109,997
Gain (loss) on derivative instruments, net	104,727	(118,088)
Total other gains (losses), net	(138,363)	(8,091)
EXPENSES		
Compensation and benefits	(15,309)	(7,919)
Other general and administrative	(5,169)	(3,845)
Other operating expenses	(775)	(354)
Total operating expenses	(21,253)	(12,118)
Net loss	(80,362)	(3,076)
Preferred stock dividends	(2,658)	(1,923)
Net loss to common shareholders	<u>\$ (83,020)</u>	<u>\$ (4,999)</u>
Other comprehensive income:		
Unrealized (loss) gain on available-for-sale investments	\$ (148)	\$ 19,390
Total other comprehensive (loss) income	(148)	19,390
Comprehensive (loss) income to common shareholders	<u>\$ (83,168)</u>	<u>\$ 14,391</u>
Weighted average common shares-basic	200,084,349	90,492,327
Weighted average common shares-diluted	200,084,349	90,492,327
Net loss per common share-basic	\$ (0.41)	\$ (0.06)
Net loss per common share-diluted	\$ (0.41)	\$ (0.06)

See notes to the unaudited consolidated financial statements.

DYNEX CAPITAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)
(\$s in thousands)

For the Three Months Ended March 31, 2026

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2025	4,460,000	\$ 107,843	174,814,912	\$ 1,748	\$ 2,921,551	\$ (127,061)	\$ (441,937)	\$ 2,462,144
Stock issuance	—	—	32,101,365	321	441,422	—	—	441,743
Share-based compensation, net of amortization	—	—	406,946	4	7,662	—	—	7,666
Adjustments for tax withholding on share-based compensation	—	—	(168,758)	(1)	(2,366)	—	—	(2,367)
Stock issuance costs	—	—	—	—	(139)	—	—	(139)
Net loss	—	—	—	—	—	—	(80,362)	(80,362)
Dividends on preferred stock	—	—	—	—	—	—	(2,658)	(2,658)
Dividends on common stock	—	—	—	—	—	—	(104,609)	(104,609)
Other comprehensive loss	—	—	—	—	—	(148)	—	(148)
Balance as of March 31, 2026	<u>4,460,000</u>	<u>\$ 107,843</u>	<u>207,154,465</u>	<u>\$ 2,072</u>	<u>\$ 3,368,130</u>	<u>\$ (127,209)</u>	<u>\$ (629,566)</u>	<u>\$ 2,721,270</u>

For the Three Months Ended March 31, 2025

Balance as of December 31, 2024	4,460,000	\$ 107,843	84,491,800	\$ 845	\$ 1,742,471	\$ (172,489)	\$ (493,734)	\$ 1,184,936
Stock issuance	—	—	17,604,999	176	239,482	—	—	239,658
Share-based compensation, net of amortization	—	—	188,702	2	2,027	—	—	2,029
Adjustments for tax withholding on share-based compensation	—	—	(59,146)	(1)	(1,180)	—	—	(1,181)
Stock issuance costs	—	—	—	—	(19)	—	—	(19)
Net loss	—	—	—	—	—	—	(3,076)	(3,076)
Dividends on preferred stock	—	—	—	—	—	—	(1,923)	(1,923)
Dividends on common stock	—	—	—	—	—	—	(43,899)	(43,899)
Other comprehensive income	—	—	—	—	—	19,390	—	19,390
Balance as of March 31, 2025	<u>4,460,000</u>	<u>\$ 107,843</u>	<u>102,226,355</u>	<u>\$ 1,022</u>	<u>\$ 1,982,781</u>	<u>\$ (153,099)</u>	<u>\$ (542,632)</u>	<u>\$ 1,395,915</u>

See notes to the unaudited consolidated financial statements.

DYNEX CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(\$s in thousands)

	Three Months Ended	
	March 31,	
	2026	2025
Operating activities:		
Net loss	\$ (80,362)	\$ (3,076)
Adjustments to reconcile net loss to cash provided by operating activities:		
Realized gain on sales of investments, net	(8,721)	—
Unrealized loss (gain) on investments, net	251,811	(109,997)
(Gain) loss on derivative instruments, net	(104,727)	118,088
Amortization of investment premiums, net	5,951	7,961
Other amortization and depreciation	545	496
Share-based compensation expense	7,666	2,029
Increase in accrued interest receivable	(29,514)	(3,845)
Increase in accrued interest payable	36,230	2,189
Change in other assets and liabilities, net	(9,030)	(7,482)
Net cash provided by operating activities	<u>69,849</u>	<u>6,363</u>
Investing activities:		
Purchases of investments	(8,453,854)	(957,078)
Principal payments received on trading securities	453,334	120,906
Principal payments received on available-for-sale investments	18,000	59,986
Proceeds from sales of trading securities	633,301	—
Principal payments received on mortgage loans held for investment	17	67
Net receipts (payments) on derivative instruments	169,042	(137,035)
(Decrease) increase in cash collateral posted by counterparties	(8,373)	4,798
Net cash used in investing activities	<u>(7,188,533)</u>	<u>(908,356)</u>
Financing activities:		
Borrowings under repurchase agreements	51,354,129	22,760,699
Repayments of repurchase agreement borrowings	(44,212,903)	(22,089,096)
Proceeds from issuance of common stock	441,743	239,658
Cash paid for stock issuance costs	(120)	—
Payments related to tax withholding for share-based compensation	(2,367)	(1,181)
Dividends paid	(102,545)	(41,616)
Net cash provided by financing activities	<u>7,477,937</u>	<u>868,464</u>
Net increase (decrease) in cash, including cash posted to counterparties	359,253	(33,529)
Cash including cash collateral posted to counterparties at beginning of period	930,387	621,539
Cash including cash collateral posted to counterparties at end of period	<u>\$ 1,289,640</u>	<u>\$ 588,010</u>
Supplemental Disclosure of Cash Activity:		
Cash paid for interest on repurchase agreements	\$ 141,905	\$ 75,738
Noncash Investing Activities:		

Payable for investments pending settlement	\$	347,107	\$	325,401
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See notes to the unaudited consolidated financial statements.

DYNEX CAPITAL, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Dynex Capital, Inc. (“Dynex” or the “Company”) is a real estate investment trust (“REIT”) structured to deliver dividends to shareholders supported by long term returns from investments in mortgage assets backed by U.S. housing and commercial real estate. The Company’s common stock and preferred stock trade on the New York Stock Exchange (“NYSE”) under the ticker symbols “DX” and “DXPRC”, respectively.

The Company is internally managed and primarily earns income from investing in residential and commercial mortgage-backed securities (“RMBS” and “CMBS”, respectively), which are backed by residential and commercial mortgage loans, and which are Agency securities guaranteed by U.S. government-sponsored enterprises (“GSEs”). The Company may also invest in other mortgage-related assets consistent with its objectives. Dynex actively manages interest rate, prepayment, spread, liquidity, and counterparty risks. The Dynex approach emphasizes risk management and disciplined capital allocation designed to preserve book value and support dividends across market cycles.

Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company and its subsidiaries (together, “Dynex” or, as appropriate, the “Company”) have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10, Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all significant adjustments, consisting of normal recurring accruals, considered necessary for a fair statement of results for the interim period have been included. All intercompany accounts and transactions have been eliminated in consolidation. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for any other interim periods or for the entire year ending December 31, 2026. The unaudited consolidated financial statements included herein should be read in conjunction with the audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Form 10-K”) filed with the SEC.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. The most significant estimate used by management relates to the fair value measurement of its investments, including TBA securities accounted for as derivative instruments, which is discussed further below within this note to the consolidated financial statements. The Company believes the estimates and assumptions underlying the consolidated financial statements included herein are reasonable and supportable based on the information available as of March 31, 2026.

Consolidation and Variable Interest Entities

The consolidated financial statements include the accounts of the Company and the accounts of its majority owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The Company did not consolidate any variable interest entities (“VIEs”) as of March 31, 2026. The Company consolidates a VIE if the Company is determined to be the VIE’s primary beneficiary, which is defined as the party that has both (i) the power to control the activities that most significantly impact the VIE’s financial performance; and (ii) the right to receive benefits or absorb losses that could potentially be significant to the VIE. The Company reconsiders its evaluation of whether to consolidate a VIE on an ongoing basis, based on changes in the facts and circumstances pertaining to the VIE. Though the Company invests in Agency and non-Agency MBS which are generally considered to be interests in VIEs, the Company does not consolidate these entities because it does not meet the criteria to be deemed the primary beneficiary. The maximum exposure to loss for these VIEs is the carrying value of the MBS.

DYNEX CAPITAL, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986 (the “Tax Code”) and the corresponding provisions of state law. To qualify as a REIT, the Company must meet certain asset, income, ownership, and distribution tests. To meet these requirements, the Company’s main source of income is interest earned from obligations secured by mortgages on real property, and the Company must distribute at least 90% of its annual REIT taxable income to shareholders. The Company’s income will generally not be subject to federal income tax to the extent its income is distributed as dividends to shareholders.

The Company assesses its tax positions for all open tax years and determines whether the Company has any material unrecognized liabilities and records these liabilities, if any, to the extent they are deemed more likely than not to have been incurred.

Net Income (Loss) Per Common Share

The Company calculates basic net income (loss) per common share by dividing net income (loss) to common shareholders for the period by weighted-average shares of common stock outstanding for that period. Please see [Note 2](#) for the calculation of the Company’s basic and diluted net income (loss) per common share for the periods indicated.

The Company currently has restricted stock, service-based restricted stock units (“RSUs”) and performance-based stock units (“PSUs”) issued and outstanding. Restricted stock awards issued under the Company’s 2020 Stock and Incentive Plan (the “2020 Plan”) are considered participating securities and therefore are included in the computation of basic net income per common share using the two-class method because holders of unvested shares of restricted stock issued are eligible to receive non-forfeitable dividends. Holders of RSUs and PSUs issued under the 2020 Plan as well as the Company’s 2025 Stock and Incentive Plan (the “2025 Plan”) accrue forfeitable dividend equivalent rights (“DERs”) over the period outstanding, receiving dividend payments only upon the settlement date if the requisite service-based and performance-based conditions have been achieved, as applicable. As such, RSUs and PSUs are excluded from the computation of basic net income per common share but are included in the computation of diluted net income per common share using the treasury stock method unless the effect is to reduce a net loss or increase the net income per common share (also known as “anti-dilutive”). Upon vesting, restrictions on transfer expire on each share of restricted stock, RSU, and PSU, and each such share or unit becomes one unrestricted share of common stock and is included in the computation of basic net income per common share.

Because the Company’s 6.900% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (the “Series C Preferred Stock”) is redeemable at the Company’s option for cash only and convertible into shares of common stock only upon a change of control of the Company (and subject to other circumstances) as described in Article IIIC of the Company’s Restated Articles of Incorporation, as amended, the effect of those shares and their related dividends are excluded from the calculation of diluted net income per common share for the periods presented.

Cash and Cash Equivalents

Cash and cash equivalents include unrestricted demand deposits at highly rated financial institutions and highly liquid investments with original maturities of three months or less. The Company’s cash balances fluctuate throughout the year and may exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits from time to time. Although the Company bears risk on amounts in excess of those insured by the FDIC, the Company believes the risk of loss is mitigated by the financial position, creditworthiness, and strength of the depository institutions in which those deposits are held.

Cash Collateral Posted To/By Counterparties

The Company regularly pledges and receives amounts to cover margin requirements related to the Company’s financing and derivative instruments. If the amount pledged to a counterparty exceeds the amount received from a counterparty, the net amount is recorded as an asset within “cash collateral posted to counterparties,” and if the amount received from a counterparty exceeds the amount pledged to a counterparty, the

DYNEX CAPITAL, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

net amount is recorded as a liability within “cash collateral posted by counterparties” on the Company’s consolidated balance sheets.

The following table provides a reconciliation of “cash” and “cash posted to counterparties” reported on the Company’s consolidated balance sheet as of March 31, 2026 presented herein that sum to the total of the same such amounts shown on the Company’s consolidated statement of cash flows for the three months ended March 31, 2026:

<i>(\$s in thousands)</i>	March 31, 2026	
Cash and cash equivalents	\$	773,138
Cash collateral posted to counterparties		516,502
Total cash including cash posted to counterparties shown on consolidated statement of cash flows	\$	1,289,640

Mortgage-Backed Securities

The Company’s MBS are recorded at fair value on the Company’s consolidated balance sheet. Changes in fair value of MBS purchased prior to January 1, 2021 are designated as available-for-sale (“AFS”) with changes in fair value reported in other comprehensive income (“OCI”) as an unrealized gain (loss) until the security is sold or matures. Effective January 1, 2021, the Company elected the fair value option (“FVO”) for all MBS purchased on or after that date with changes in fair value reported in net income as “unrealized gain (loss) on investments, net” until the security is sold or matures. Management elected the fair value option so that net income will reflect the changes in fair value for its future purchases of MBS in a manner consistent with the presentation and timing of the changes in fair value of its derivative instruments. Upon the sale of an MBS, any unrealized gain or loss within OCI or net income is reclassified to “realized gain (loss) on sale of investments, net” within net income using the specific identification method.

Interest Income, Premium Amortization, and Discount Accretion. Interest income on MBS is accrued based on the outstanding principal balance (or notional balance in the case of IO securities) and the contractual terms. Premiums or discounts associated with the purchase of MBS are amortized or accreted into interest income over the life of such securities using the effective interest method, and adjustments to premium amortization and discount accretion are made for actual cash payments received. On at least a quarterly basis, the Company reviews and makes any necessary adjustments to its cash flows and updates the yield recognized on these assets.

Determination of MBS Fair Value. The Company estimates the fair value of the majority of its MBS based upon prices obtained from an independent third-party pricing service. These prices are assessed for reasonableness using additional third-party pricing services. Please refer to [Note 6](#) for further discussion of MBS fair value measurements.

Allowance for Credit Losses. On at least a quarterly basis, the Company evaluates any MBS designated as AFS with a fair value less than its amortized cost for credit losses. If the difference between the present value of cash flows expected to be collected on the MBS is less than its amortized cost, the difference is recorded as an allowance for credit loss through net income up to and not exceeding the amount that the amortized cost exceeds current fair value. Subsequent changes in credit loss estimates are recognized in earnings in the period in which they occur. Because the majority of the Company’s investments are higher credit quality and most are guaranteed by a GSE, the Company is not likely to have an allowance for credit losses related to its MBS recorded on its consolidated balance sheet.

Interest accrued between payment dates on MBS is presented separately from the Company’s investment portfolio as “accrued interest receivable” on its consolidated balance sheet. The Company does not estimate an allowance for credit loss for its accrued interest receivable because the interest is generally received within 30 days and amounts not received when due are written off against interest income.

Repurchase Agreements

The Company’s repurchase agreements are used to finance its purchases of MBS. The Company pledges its securities as collateral to secure a loan, which is equal to a specified percentage of the estimated fair value of the pledged collateral. The Company retains beneficial ownership of the pledged collateral. Pursuant to Accounting

DYNEX CAPITAL, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Standards Codification (“ASC”) Topic 860, the Company accounts for repurchase agreements as collateralized financing transactions, which are carried at their contractual amounts (cost), plus accrued interest. The interest rates the Company pays for these borrowings are based on a spread added to the Secured Overnight Funding Rate (“SOFR”). At the maturity of a repurchase agreement borrowing, the Company is required to repay the loan and concurrently receives back its pledged collateral from the lender, or, with the consent of the lender, the Company may renew the agreement at the then prevailing financing rate. A repurchase agreement lender may require the Company to pledge additional collateral in the event of a decline in the fair value of the collateral pledged. Repurchase agreement financing is recourse to the Company and the assets pledged. The repurchase facilities available to the Company are uncommitted with no guarantee of renewal.

Derivative Instruments

Derivative instruments are carried at fair value, and all periodic interest benefits/costs and changes in the fair value of derivative instruments, including gains and losses realized upon termination, maturity, or settlement, are recorded in “gain (loss) on derivative instruments, net” on the Company’s consolidated statements of comprehensive income (loss). Cash receipts and payments related to derivative instruments are classified in the investing activities section of the consolidated statements of cash flows in accordance with the underlying nature or purpose of the derivative transactions.

The Company’s short positions in U.S. Treasury futures contracts are centrally cleared through the Chicago Mercantile Exchange (“CME”), which requires the Company to post initial margin as determined by the CME. Daily variation margin is exchanged, typically in cash, for the changes in the fair value of the futures contracts, which is treated as legal settlement of the exposure under the related futures contracts as opposed to a pledge of collateral. The effect of these legal settlements reduces what would have otherwise been reported as the fair value of the futures contracts, generally to \$0. The margin requirement varies based on the market value of the open positions and the equity retained in the account. Any margin excess or deficit outstanding is recorded as a receivable or payable within “due from/to counterparties” as of the date of the Company’s consolidated balance sheets. The Company realizes gains or losses on these contracts upon expiration at an amount equal to the difference between the current fair value of the underlying asset and the contractual price of the futures contract.

The Company’s interest rate swaps are pay-fixed, which involve the receipt of variable-rate amounts based on SOFR from a counterparty in exchange for the Company making fixed-rate payments over the life of the interest rate swap without exchange of the underlying notional amount. The net periodic interest benefit (cost) is recorded in the period earned (incurred) in “gain (loss) on derivative instruments, net”, but the net receipt (payment) of cash is exchanged annually, typically on the anniversary of each agreement’s effective date. Similar to the Company’s U.S. Treasury futures, interest rate swap agreements are centrally cleared through the CME with requirements to post initial margin and to exchange daily variation margin amounts, which are treated as legal settlements of the agreements. Any margin excess or deficit outstanding is recorded as a receivable or payable within “due from/to counterparties” as of the date of the Company’s consolidated balance sheets.

The Company’s interest rate swaptions are SOFR-based and provide the Company the right, but not the obligation, to enter into an interest rate swap at a predetermined notional amount with a stated term and pay and receive rates in the future. These agreements are entered into directly with a counterparty (a “bilateral contract”) with whom we may exchange margin collateral. Because these agreements are not centrally cleared, the Company has exposure to counterparty risk. The Company records the premium it will pay for the swaption as a derivative asset on its consolidated balance sheet and adjusts the balance for changes in fair value through “gain (loss) on derivative instruments” until the swaption is exercised or the contract expires. If the swaption expires unexercised, the realized loss is limited to the premium paid. If exercised, the realized gain or loss on the swaptions is equal to the difference between the fair value of the underlying interest rate swap and the premium paid.

The Company may also use options on U.S. Treasury futures, which are initially recorded at the price of the premium paid at inception. Subsequent changes in fair value are recorded in “gain (loss) on derivatives instruments” until the option is exercised or the contract expires. If the option expires unexercised, the realized loss is limited to the premium paid at inception. If exercised, the realized gain or loss on the option is equal to the difference between the fair value of the underlying U.S. Treasury future and the premium paid at inception.

The Company purchases to-be-announced (“TBA”) securities as a means of investing in non-specified

DYNEX CAPITAL, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

fixed-rate Agency RMBS and may also periodically sell TBA securities as a means of economically hedging its exposure to Agency RMBS. A TBA security is a forward contract (“TBA contract”) for the purchase (“long position”) or sale (“short position”) of a non-specified Agency MBS at a predetermined price with certain principal and interest terms and certain types of collateral, but the particular Agency securities to be delivered are not identified until shortly before the settlement date. The Company accounts for long and short positions in Agency RMBS TBAs as derivative instruments in accordance with ASC 815 because the Company cannot assert that it is probable at inception and throughout the term of an individual TBA transaction that its settlement will result in physical delivery of the underlying Agency RMBS or that the individual TBA transaction will settle in the shortest time period possible.

Please refer to [Note 5](#) for additional information regarding the Company’s derivative instruments as well as [Note 6](#) for information on how the fair value of these instruments is calculated.

Share-Based Compensation

The Company’s 2025 Plan reserves for issuance up to 12,000,000 common shares for eligible employees, non-employee directors, consultants, and advisors to the Company to be granted in the form of stock options, restricted stock, RSUs, stock appreciation rights, PSUs, and performance-based cash awards (collectively, “awards”). Awards previously granted under the 2020 Plan will remain outstanding and valid in accordance with their terms, but no new awards will be granted under the 2020 Plan. As of March 31, 2026, there were 9,426,189 common shares remaining available for issuance under the 2025 Plan.

The Company has issued restricted stock and RSUs, which are treated as equity awards and recorded at their fair value using the closing stock price on the grant date. Compensation expense is generally recognized over a service period specified within each award with a corresponding credit to shareholders’ equity using the straight-line method until the vesting date specified within each award or until the employee becomes eligible for retirement, if earlier than the vesting date. Compensation expense is recognized immediately upon the grant date for equity awards granted to an employee who is retirement eligible.

The Company also has PSUs issued and outstanding which contain Company performance-based conditions. PSUs subject to Company performance-based conditions are initially recognized as equity at their fair value which is measured using the closing stock price on the grant date multiplied by the number of units expected to vest based on an assessment of the probability of achievement of the Company performance-based conditions as of the grant date. The grant date fair value is recognized as expense using the straight-line method until the earlier of the vesting date specified within each award or the date the employee becomes eligible for retirement. Adjustments are made, if necessary, based on any change in probability of achievement which is re-assessed as of each reporting date and on at least a quarterly basis.

The Company does not estimate forfeitures for any of its share-based compensation awards but adjusts for actual forfeitures in the periods in which they occur. Because RSUs and PSUs have forfeitable DERs, which are paid in cash only upon settlement, any accrued DERs on forfeited units are reversed with a corresponding credit to “Compensation and benefits” expense.

Please see [Note 7](#) for additional information about the Company’s share-based compensation awards.

Contingencies

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of its business. In the opinion of management, the Company did not have any material pending lawsuits, claims, or other contingencies as of March 31, 2026 or December 31, 2025.

Recently Issued Accounting Pronouncements

The Company evaluates Accounting Standards Updates (“ASU”) issued by the Financial Accounting Standards Board on at least a quarterly basis to evaluate applicability and significance of any impact on its financial condition and results of operations. There are no new accounting pronouncements which are not yet effective that are expected to have a significant impact on our consolidated financial statements upon adoption.

DYNEX CAPITAL, INC.
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NOTE 2 – NET INCOME (LOSS) PER COMMON SHARE

Please refer to [Note 1](#) for information regarding the Company’s treatment of its preferred stock and stock awards in the calculation of its basic and diluted net income or loss per common share and to [Note 7](#) for information regarding the Company’s stock award activity for the periods presented. The following table presents the computations of basic and diluted net income or loss per common share for the periods indicated:

<i>(\$s in thousands)</i>	Three Months Ended	
	March 31,	
	2026	2025
Weighted average number of common shares outstanding - basic	200,084,349	90,492,327
Incremental common shares-unvested RSUs	—	—
Incremental common shares-unvested PSUs	—	—
Weighted average number of common shares outstanding - diluted	200,084,349	90,492,327
Net loss to common shareholders	\$ (83,020)	\$ (4,999)
Net loss per common share-basic	\$ (0.41)	\$ (0.06)
Net loss per common share-diluted	\$ (0.41)	\$ (0.06)

The calculation of diluted net loss per common share for the three months ended March 31, 2026 and March 31, 2025 excludes unvested RSUs and PSUs of 1,303,235 and 547,845, respectively, which would have been anti-dilutive for the period.

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NOTE 3 – MORTGAGE-BACKED SECURITIES

The following tables provide details on the Company's MBS by investment type as of the dates indicated:

	March 31, 2026			
<i>(\$ in thousands)</i>	Agency RMBS	Agency CMBS	CMBS IO ⁽¹⁾	Total
Measured at fair value through net income:				
Amortized cost	\$ 21,113,033	\$ 1,199,336	\$ 29,425	\$ 22,341,794
Gross unrealized gain	114,040	5,226	6	119,272
Gross unrealized loss	(222,416)	(4,908)	(1,180)	(228,504)
Fair value through net income	<u>\$ 21,004,657</u>	<u>\$ 1,199,654</u>	<u>\$ 28,251</u>	<u>\$ 22,232,562</u>
Measured at fair value through OCI:				
Amortized cost	\$ 738,635	\$ 47,211	\$ 52,058	\$ 837,904
Gross unrealized gain	—	19	2,763	2,782
Gross unrealized loss	(126,078)	(2,083)	(1,830)	(129,991)
Fair value through OCI	<u>\$ 612,557</u>	<u>\$ 45,147</u>	<u>\$ 52,991</u>	<u>\$ 710,695</u>
Total	<u><u>\$ 21,617,214</u></u>	<u><u>\$ 1,244,801</u></u>	<u><u>\$ 81,242</u></u>	<u><u>\$ 22,943,257</u></u>
	December 31, 2025			
	Agency RMBS	Agency CMBS	CMBS IO ⁽¹⁾	Total
Measured at fair value through net income:				
Amortized cost	\$ 14,233,682	\$ 1,165,674	\$ 30,680	\$ 15,430,036
Gross unrealized gain	236,304	8,293	20	244,617
Gross unrealized loss	(99,899)	(995)	(1,147)	(102,041)
Fair value through net income	<u>\$ 14,370,087</u>	<u>\$ 1,172,972</u>	<u>\$ 29,553</u>	<u>\$ 15,572,612</u>
Measured at fair value through OCI:				
Amortized cost	\$ 757,127	\$ 47,433	\$ 56,877	\$ 861,437
Gross unrealized gain	—	25	2,620	2,645
Gross unrealized loss	(125,854)	(2,087)	(1,765)	(129,706)
Fair value through OCI	<u>\$ 631,273</u>	<u>\$ 45,371</u>	<u>\$ 57,732</u>	<u>\$ 734,376</u>
Total	<u><u>\$ 15,001,360</u></u>	<u><u>\$ 1,218,343</u></u>	<u><u>\$ 87,285</u></u>	<u><u>\$ 16,306,988</u></u>

(1) The Company held a notional balance of Agency CMBS IO and non-Agency CMBS IO of \$4,771,493 and \$1,019,323, respectively, as of March 31, 2026, and \$4,928,803 and \$1,071,722, respectively, as of December 31, 2025.

The majority of the Company's MBS are pledged as collateral for the Company's repurchase agreements, which are disclosed in [Note 4](#). Actual maturities of MBS are affected by the contractual lives of the underlying mortgage collateral, scheduled payments, and unscheduled prepayments of principal, and the payment priority structure of the security; therefore, actual maturities are generally shorter than the securities' stated contractual maturities.

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The following table presents information regarding unrealized gains and losses on investments reported within net income (loss) on the Company's consolidated statements of comprehensive income (loss) for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
<i>(\$s in thousands)</i>		
Agency RMBS	\$ (244,781)	\$ 109,260
Agency CMBS	(6,981)	110
CMBS IO	(47)	609
Other investments	(2)	18
Unrealized (loss) gain on investments, net	<u>\$ (251,811)</u>	<u>\$ 109,997</u>

The following table presents information regarding realized gains and losses on sales of MBS reported in the Company's consolidated statements of comprehensive income (loss) for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
<i>(\$s in thousands)</i>		
Realized gain on sales of MBS - FVO	\$ 8,721	\$ —
Realized loss on sale of MBS - FVO	—	—
Total realized gain on sales of investments, net	<u>\$ 8,721</u>	<u>\$ —</u>

The following table presents certain information for MBS designated as AFS that were in an unrealized loss position as of the dates indicated:

	March 31, 2026			December 31, 2025		
	Fair Value	Gross Unrealized Losses	# of Securities	Fair Value	Gross Unrealized Losses	# of Securities
<i>(\$s in thousands)</i>						
Continuous unrealized loss position for less than 12 months:						
Agency MBS	\$ 1,459	\$ (15)	3	\$ 730	\$ (1)	2
Non-Agency MBS	16	(1)	1	208	(22)	3
Continuous unrealized loss position for 12 months or longer:						
Agency MBS	\$ 698,491	\$ (129,959)	54	\$ 721,536	\$ (129,658)	56
Non-Agency MBS	391	(16)	3	752	(25)	3

The unrealized loss positions on the Company's MBS designated as AFS as of March 31, 2026 and December 31, 2025 were the result of higher interest rates and wider spreads to U.S. Treasuries compared to at the time of purchase. The unrealized loss positions are not credit related; therefore, the Company did not record an allowance for credit losses as of March 31, 2026 or December 31, 2025. The Company has the ability and intent to hold any MBS with an unrealized loss until the recovery in its value. This assessment is based on the amount of the unrealized loss and significance of the related investment as well as the Company's leverage and liquidity position. In addition, for its non-Agency MBS, which are not guaranteed by a GSE, the Company reviews the credit ratings, the credit characteristics of the mortgage loans collateralizing these securities, and the estimated future cash flows including projected collateral losses.

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NOTE 4 – REPURCHASE AGREEMENTS

The Company's repurchase agreements outstanding as of March 31, 2026 and December 31, 2025 are summarized in the following tables:

Collateral Type	March 31, 2026			December 31, 2025		
	Balance	Weighted Average Rate	Fair Value of Collateral Pledged ⁽¹⁾	Balance	Weighted Average Rate	Fair Value of Collateral Pledged ⁽¹⁾
<i>(\$s in thousands)</i>						
Agency RMBS	\$ 19,845,289	3.80 %	\$ 20,871,318	\$ 12,857,827	4.09 %	\$ 13,496,489
Agency CMBS	1,125,561	3.81 %	1,170,554	967,024	4.07 %	1,012,532
Agency CMBS IO	72,929	4.15 %	76,577	77,057	4.41 %	81,913
Non-Agency CMBS IO	1,678	4.57 %	1,883	2,323	4.72 %	2,536
Total	\$ 21,045,457	3.80 %	\$ 22,120,332	\$ 13,904,231	4.10 %	\$ 14,593,470

(1) Amounts disclosed for fair value of collateral pledged include amounts pledged to cover margin calls, which may differ in collateral type from the initial collateral type pledged.

The Company's equity at risk did not exceed 10% with any single counterparty as of March 31, 2026.

The following table provides information on the remaining term to maturity and original term to maturity for the Company's repurchase agreements as of the dates indicated:

Remaining Term to Maturity	March 31, 2026			December 31, 2025		
	Balance	Weighted Average Rate	WAVG Original Term to Maturity	Balance	Weighted Average Rate	WAVG Original Term to Maturity
<i>(\$s in thousands)</i>						
Less than 30 days	\$ 8,026,127	3.81 %	77	\$ 9,146,566	4.11 %	75
30 to 90 days	12,451,246	3.80 %	95	4,757,665	4.07 %	94
91 to 180 days	568,084	3.75 %	173	—	— %	—
Total	\$ 21,045,457	3.80 %	90	\$ 13,904,231	4.10 %	81

The Company's accrued interest payable related to its repurchase agreement borrowings increased to \$131 million as of March 31, 2026 from \$95 million as of December 31, 2025.

The Company's counterparties, as set forth in the master repurchase agreement with each counterparty, require the Company to comply with various customary operating and financial covenants, including, but not limited to, minimum net worth, maximum declines in net worth in a given period, and maximum leverage requirements as well as maintaining the Company's REIT status. In addition, some of the agreements contain cross default features, whereby default under an agreement with one lender simultaneously causes default under agreements with other lenders. To the extent that the Company fails to comply with the covenants contained in these financing agreements or is otherwise found to be in default under the terms of such agreements, the counterparty has the right to accelerate amounts due under the master repurchase agreement. The Company believes it was in full compliance with all covenants in master repurchase agreements under which there were amounts outstanding as of March 31, 2026.

The Company's repurchase agreements are subject to underlying agreements with master netting or similar arrangements, which provide for the right of set off in the event of default or in the event of bankruptcy of either party to the transactions. The Company reports its repurchase agreements to these arrangements on a gross basis. The following table presents information regarding the Company's repurchase agreements as if the Company had

DYNEX CAPITAL, INC.
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presented them on a net basis as of March 31, 2026 and December 31, 2025:

(\$s in thousands)	Gross Amount Not Offset in the Balance Sheet ⁽¹⁾					
	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Balance Sheet	Net Amount of Liabilities Presented in the Balance Sheet	Financial Instruments Posted as Collateral	Cash Posted as Collateral	Net Amount
March 31, 2026:						
Repurchase agreements	\$ 21,045,457	\$ —	\$ 21,045,457	\$ (21,045,457)	\$ —	\$ —
December 31, 2025:						
Repurchase agreements	\$ 13,904,231	\$ —	\$ 13,904,231	\$ (13,904,231)	\$ —	\$ —

(1) Amounts disclosed for collateral received by or posted to the same counterparty include cash and the fair value of MBS up to and not exceeding the net amount of the repurchase agreement liability presented in the balance sheet. The fair value of the total collateral received by or posted to the same counterparty may exceed the amounts presented. Please refer to the consolidated balance sheets for the total fair value of financial instruments pledged as collateral for derivatives and repurchase agreements, which is shown parenthetically, and the total cash pledged or received as collateral, which is disclosed as "cash collateral posted to/by counterparties."

Please see [Note 5](#) for information related to the Company's derivatives, which are also subject to underlying agreements with master netting or similar arrangements.

NOTE 5 – DERIVATIVES

Types and Uses of Derivatives Instruments

Interest Rate Derivatives. The Company frequently changes the type of derivative instruments it uses to mitigate the impact of changing interest rates on its repurchase agreement financing costs and the fair value of its investments. Please refer to [Note 1](#) for descriptions of these instruments and how the Company accounts for them.

TBA Transactions. The Company purchases TBA securities as a means of investing in non-specified fixed-rate Agency RMBS and may also periodically sell TBA securities as a means of economically hedging its exposure to Agency RMBS. Please refer to [Note 1](#) for more information about these securities.

The table below provides detail of the Company's gain and losses by type of derivative instrument for the periods indicated:

Type of Derivative Instrument	Three Months Ended March 31,	
	2026	2025
(\$s in thousands)		
U.S. Treasury futures	\$ 35,308	\$ (44,347)
Interest rate swaps	86,289	(116,726)
Interest rate swaptions	(335)	811
Options on U.S. Treasury futures	(2,656)	—
TBA securities	(13,879)	42,174
Gain (loss) on derivative instruments, net	\$ 104,727	\$ (118,088)

The table below provides the carrying amount by type of derivative instrument comprising the Company's derivative assets and liabilities on its consolidated balance sheets as of the dates indicated:

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Type of Derivative Instrument	Balance Sheet Location	Purpose	March 31, 2026	December 31, 2025
<i>(\$s in thousands)</i>				
Options on U.S. Treasury futures	Derivative assets	Economic hedging	\$ —	\$ 2,657
TBA securities	Derivative assets	Investing	695	7,841
Total derivatives assets			\$ 695	\$ 10,498
Interest rate swaptions	Derivative liabilities	Economic hedging	\$ 4,380	\$ 4,045
TBA securities	Derivative liabilities	Investing	9,741	785
Total derivatives liabilities			\$ 14,121	\$ 4,830

The table below presents information regarding the long positions in SOFR-based interest rate swaptions and options on U.S. Treasury futures held by the Company as of the dates indicated:

	Option				Underlying Financial Instrument		
	Cost ⁽¹⁾	Fair Value	Carrying Value	Notional Amount	Average Fixed Receive Rate	Type of Instrument	
<i>(\$s in thousands)</i>							
As of March 31, 2026:							
1-2 year interest rate swaptions	\$ 11,725	\$ 7,345	\$ (4,380)	\$ 750,000	3.25%	5 year SOFR-based swap	
3-month options on U.S. Treasury futures	—	—	—	—	n/a	10-year U.S. Treasury future	
As of December 31, 2025:							
1-2 year interest rate swaptions	\$ 11,725	\$ 7,680	\$ (4,045)	\$ 750,000	3.25%	5 year SOFR-based swap	
3-month options on U.S. Treasury futures	3,981	2,657	2,657	500,000	n/a	10-year U.S. Treasury future	

(1) The Company pays the premium for its interest rate swaptions at the end of the option period, so the carrying value on the Company's consolidated balance sheets is fair value, net of the payable for the unpaid premium as of the periods indicated. The Company pays the premium for its options on U.S. Treasury futures at inception, so the carrying value is equal to the fair value as of the periods indicated.

Because the daily margin exchanged for the Company's U.S. Treasury futures and interest rate swaps are considered legal settlement of the derivative as opposed to a pledge of collateral, these instruments have a carrying value of \$0 on the Company's consolidated balance sheets. The Company's U.S. Treasury futures, excluding the recognition of variation margin settlements, were in a net asset position of \$58 million as of March 31, 2026 and a net asset position of \$22 million as of December 31, 2025, and its interest rate swaps were in a net asset position of \$39 million as of March 31, 2026 and net liability position of \$(46) million as of December 31, 2025. The amount of cash posted by the Company to cover required initial margin for its U.S. Treasury futures and its interest rate swaps was \$486 million as of March 31, 2026 and \$392 million as of December 31, 2025, which was recorded within "cash collateral posted to counterparties." The Company had a margin payable of \$26 million as of March 31, 2026 recorded within "due to counterparties" and \$17 million as of December 31, 2025 recorded within "due from counterparties."

The table below presents information regarding the pay fixed/receive variable SOFR-based interest rate swaps the Company held as of the dates indicated:

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Pay Fixed Interest Rate Swaps - Years to Maturity	March 31, 2026		December 31, 2025	
	Notional Amount	Weighted Average Pay Fixed Rate	Notional Amount	Weighted Average Pay Fixed Rate
<i>(\$s in thousands)</i>				
3-5 years	\$ 4,400,000	3.43 %	\$ 2,450,000	3.42 %
5-7 years	4,060,000	3.65 %	4,070,000	3.66 %
7-10 years	4,120,000	3.85 %	3,090,000	3.87 %
10-15 years	—	— %	75,000	3.77 %
	<u>\$ 12,580,000</u>	<u>3.64 %</u>	<u>\$ 9,685,000</u>	<u>3.66 %</u>

The table below presents information regarding the notional amounts of the short positions in U.S. Treasury futures held by the Company as of the dates indicated:

U.S. Treasury Futures	March 31, 2026		December 31, 2025	
<i>(\$s in thousands)</i>				
5-year U.S. Treasury futures	\$ —		\$ (30,000)	
10-year U.S. Treasury futures		(1,917,500)		(1,475,000)
30-year U.S. Treasury futures		(1,231,600)		(1,153,500)
	<u>\$ (3,149,100)</u>		<u>\$ (2,658,500)</u>	

The following table summarizes information about the notional amounts of the Company's long positions in TBA securities as of the dates indicated:

TBA securities	March 31, 2026		December 31, 2025	
<i>(\$s in thousands)</i>				
Implied market value ⁽¹⁾	\$ 1,822,047		\$ 3,121,122	
Implied cost basis ⁽²⁾		1,831,093		3,114,066
Net carrying value ⁽³⁾	<u>\$ (9,046)</u>		<u>\$ 7,056</u>	

(1) Implied market value represents the estimated fair value of the underlying Agency MBS as of the dates indicated.

(2) Implied cost basis represents the forward price to be paid for the underlying Agency MBS as of the dates indicated.

(3) Net carrying value represents the difference between the implied market value and the implied cost basis of the Company's TBA securities as of the dates indicated. The total shown is the net amount included on the consolidated balance sheets as derivative assets of \$695 and derivative liabilities of \$9,741 as of March 31, 2026 and \$7,841 and \$785, respectively, as of December 31, 2025.

Volume of Activity

The table below summarizes changes in the Company's derivative instruments for the three months ended March 31, 2026:

Type of Derivative Instrument	Beginning Notional Amount-Long (Short)	Additions	Settlements, Terminations, or Pair-Offs	Ending Notional Amount-Long (Short)
<i>(\$s in thousands)</i>				
U.S. Treasury futures	\$ (2,658,500)	\$ (6,489,700)	\$ 5,999,100	\$ (3,149,100)
Interest rate swaps	9,685,000	2,905,000	(10,000)	12,580,000
Interest rate swaptions	750,000	—	—	750,000
Options on U.S. Treasury futures	500,000	—	(500,000)	—
TBA securities	3,189,000	12,782,000	(14,111,000)	1,860,000

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Offsetting

The Company's derivatives are subject to underlying agreements with master netting or similar arrangements, which provide for the right of set off in the event of default or in the event of bankruptcy of either party to the transactions. The Company reports its derivative assets and liabilities subject to these arrangements on a gross basis. Please see [Note 4](#) for information related to the Company's repurchase agreements, which are also subject to underlying agreements with master netting or similar arrangements. The following tables present information regarding those derivative assets and liabilities subject to such arrangements as if the Company had presented them on a net basis as of March 31, 2026 and December 31, 2025:

	Offsetting of Assets					
	Gross Amount of Recognized Assets	Gross Amount Offset in the Balance Sheet	Net Amount of Assets Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet ⁽¹⁾		Net Amount
				Financial Instruments Received as Collateral	Cash Received as Collateral	
<i>(\$s in thousands)</i>						
March 31, 2026						
TBA securities	\$ 695	\$ —	\$ 695	(557)	\$ —	\$ 138
Derivative assets	\$ 695	\$ —	\$ 695	(557)	\$ —	\$ 138
December 31, 2025						
Options on U.S. Treasury futures	\$ 2,657	\$ —	\$ 2,657	\$ —	\$ —	\$ 2,657
TBA securities	7,841	—	7,841	(689)	(6,333)	819
Derivative assets	\$ 10,498	\$ —	\$ 10,498	\$ (689)	\$ (6,333)	\$ 3,476

	Offsetting of Liabilities					
	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Balance Sheet	Net Amount of Liabilities Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet ⁽¹⁾		Net Amount
				Financial Instruments Posted as Collateral	Cash Posted as Collateral	
<i>(\$s in thousands)</i>						
March 31, 2026						
Interest rate swaptions	\$ 4,380	\$ —	\$ 4,380	\$ —	\$ —	\$ 4,380
TBA securities	9,741	—	9,741	(557)	(9,184)	—
Derivative liabilities	\$ 14,121	\$ —	\$ 14,121	\$ (557)	\$ (9,184)	\$ 4,380
December 31, 2025						
Interest rate swaptions	\$ 4,045	\$ —	\$ 4,045	\$ —	\$ —	\$ 4,045
TBA securities	785	—	785	(689)	(96)	—
Derivative liabilities	\$ 4,830	\$ —	\$ 4,830	\$ (689)	\$ (96)	\$ 4,045

(1) Amounts disclosed for collateral received by or posted to the same counterparty include cash and the fair value of MBS up to and not exceeding the net amount of the derivative asset or liability presented in the balance sheet. The fair value of the total collateral received by or posted to the same counterparty may exceed the amounts presented. Please refer to the consolidated balance sheets for the total fair value of financial instruments pledged as collateral for derivatives and repurchase agreements, which is shown parenthetically, and the total cash pledged or received as collateral which is disclosed as "cash collateral posted to/by counterparties."

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NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability and also considers all aspects of nonperformance risk, including the entity’s own credit standing, when measuring fair value of a liability. ASC Topic 820 established a valuation hierarchy of three levels as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 – Inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs either directly observable or indirectly observable through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- Level 3 – Unobservable inputs are supported by little or no market activity. The unobservable inputs represent management’s best estimate of how market participants would price the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The following table presents the Company’s financial instruments that are measured at fair value on the Company’s consolidated balance sheet by their valuation hierarchy levels as of the dates indicated:

(\$s in thousands)	March 31, 2026				December 31, 2025			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
MBS	\$ 22,943,257	\$ —	\$ 22,943,257	\$ —	\$ 16,306,988	\$ —	\$ 16,306,988	\$ —
TBA securities ⁽¹⁾	695	—	695	—	7,841	—	7,841	—
Option on U.S. Treasury futures	—	—	—	—	2,657	2,657	—	—
Mortgage loans ⁽²⁾	599	—	—	599	618	—	—	618
Total	\$ 22,944,551	\$ —	\$ 22,943,952	\$ 599	\$ 16,318,104	\$ 2,657	\$ 16,314,829	\$ 618
Liabilities:								
TBA securities ⁽¹⁾	\$ 9,741	\$ —	\$ 9,741	\$ —	\$ 785	\$ —	\$ 785	\$ —
Interest rate swaptions ⁽³⁾	4,380	—	4,380	—	4,045	—	4,045	—
Total	\$ 14,121	\$ —	\$ 14,121	\$ —	\$ 4,830	\$ —	\$ 4,830	\$ —

(1) TBA securities are reflected on the consolidated balance sheet as derivative assets or liabilities at their implied fair value, net of implied cost basis. Please refer to [Note 5](#) for additional information.

(2) Mortgage loans are included on the consolidated balance sheets as a component of other assets.

(3) Interest rate swaptions are reflected on the consolidated balance sheet as derivative assets or liabilities at their fair value, net of cost. Please refer to [Note 5](#) for additional information.

The fair value measurements for the Company’s TBA securities and its MBS are considered Level 2 because there are substantially similar securities actively trading or for which there has been recent trading activity in their respective markets. Fair value for Agency MBS and TBA securities is based on prices received from an independent third-party pricing service. In valuing a security, the pricing service primarily uses a market approach, which uses observable prices and other relevant information that is generated by market transactions of identical or

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similar securities, but may use an income approach, which uses valuation techniques such as discounted cash flow modeling. Examples of the observable inputs and assumptions used in the valuation techniques include market interest rates, credit spreads, and projected prepayment speeds, among other things. The Company reviews the prices it receives from the pricing service for reasonableness using other third-party pricing services. If the fair value of a security is not available from a third-party pricing service, the Company may estimate the fair value of the security through a variety of methods using observable market data.

The Company's mortgage loans held for investment are single-family mortgage loans, which were originated or purchased by the Company prior to 2000, and for which the Company has elected the fair value option. The fair value measurements for these mortgage loans are considered Level 3 because there has been no recent trading activity of similar instruments upon which their fair value can be measured. The fair value for these Level 3 assets is measured by discounting the estimated future cash flows derived from cash flow models using certain inputs such as the security's credit rating, coupon rate, estimated prepayment speeds, expected weighted average life, collateral composition, and expected credit losses as well as certain other relevant information. The Company used a constant prepayment rate assumption of 10%, default rate of 2%, loss severity of 20%, and a discount rate of 10% in measuring the fair value of its Level 3 assets as of March 31, 2026 and as of December 31, 2025.

The Company's short positions in U.S. Treasury futures contracts are valued based on exchange pricing and are classified accordingly as Level 1 measurements. Interest rate swaps are valued using the daily settlement price, or fair value, determined by the clearing exchange based on a pricing model that references observable market inputs, including current benchmark rates and the forward yield curve, and thus their fair values are considered Level 2 measurements. The carrying value of the U.S. Treasury futures contracts and interest rate swaps on the Company's consolidated balance sheets is \$0 because the instruments require daily margin exchanges, which are considered by the settlement agent to represent legal settlement of the contracts on a daily basis. Please see [Note 1](#) and [Note 5](#) for additional information regarding the fair value of the Company's derivative instruments.

The fair value measurement of interest rate swaptions is considered Level 2 because it is based on the fair value of the underlying interest rate swap and time remaining until its expiration and is carried on the balance sheet net of any deferred premium to be paid upon exercise or expiration. The fair value measurement of options on U.S. Treasury futures is considered Level 1 because they are valued based on closing exchange prices on these contracts. Options on U.S. Treasury futures are initially recorded on the balance sheet at the contract price paid and subsequently adjusted for changes in fair value until exercise or expiration.

The Company's repurchase agreements are reported at cost, which approximates fair value. Given their short-term nature (less than one year) and the interest rates on outstanding amounts, which largely correspond to prevailing rates observed in the repurchase agreement market, their inputs are considered Level 2.

NOTE 7 – SHAREHOLDERS' EQUITY AND SHARE-BASED COMPENSATION

Preferred Stock. The Company's Board of Directors has designated 6,600,000 shares of the Company's preferred stock for issuance as Series C Preferred Stock, of which the Company has 4,460,000 of such shares outstanding as of March 31, 2026. The Series C Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and will remain outstanding indefinitely unless redeemed, repurchased, or converted into common stock pursuant to the terms of the Series C Preferred Stock. As of April 15, 2025, the Series C Preferred Stock may be redeemed at any time and from time to time at the Company's option at a cash redemption price of \$25.00 per share plus any accumulated and unpaid dividends. In addition, the Series C Preferred Stock will now pay a quarterly cumulative cash dividend at a percentage of its \$25.00 liquidation value per share equal to 3-month term SOFR plus the statutorily prescribed tenor spread adjustment of 0.26161% in addition to the spread pursuant to the terms of the Series C Preferred Stock of 5.461% for a total spread of 5.723%. The Company paid a quarterly dividend of \$0.58711 per share of Series C Preferred Stock on April 15, 2026 to shareholders of record as

DYNEX CAPITAL, INC.
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of April 1, 2026.

Common Stock. During the three months ended March 31, 2026, the Company issued 32,101,365 shares of its common stock through its at-the-market (“ATM”) program at an aggregate value of \$442 million, net of broker commissions and fees. The Company declared monthly dividends on its common stock totaling \$0.51 for the three months ended March 31, 2026. The Company’s timing, frequency, and amount of dividends declared on its common stock are determined by its Board of Directors. When declaring dividends, the Board of Directors considers the Company’s taxable income, management’s view on long-term returns, the REIT distribution requirements of the Tax Code, and maintaining compliance with dividend requirements of the Series C Preferred Stock, along with other factors that the Board of Directors may deem relevant from time to time.

Share-Based Compensation. The following table presents a rollforward of share-based awards for the periods indicated:

Type of Award	Three Months Ended March 31,			
	2026		2025	
	Shares	Weighted Average Grant Date Fair Value Per Share	Shares	Weighted Average Grant Date Fair Value Per Share
Restricted stock:				
Awards outstanding, beginning of period	25,105	\$ 12.34	93,595	\$ 12.78
Granted	—	—	—	—
Vested	(16,265)	12.25	(28,792)	13.42
Awards outstanding, end of period	<u>8,840</u>	<u>\$ 12.50</u>	<u>64,803</u>	<u>\$ 12.50</u>
Target RSUs: ⁽¹⁾				
Awards outstanding, beginning of period	738,223	\$ 12.79	463,070	\$ 12.64
Granted	428,123	13.67	152,870	14.06
Vested	(213,496)	12.66	(125,948)	12.77
Awards outstanding, end of period	<u>952,850</u>	<u>\$ 13.21</u>	<u>489,992</u>	<u>\$ 13.05</u>
Target PSUs: ⁽²⁾				
Awards outstanding, beginning of period	693,414	\$ 12.26	482,409	\$ 12.32
Granted	590,231	13.68	—	—
Vested	—	—	—	—
Awards outstanding, end of period	<u>1,283,645</u>	<u>\$ 12.91</u>	<u>482,409</u>	<u>\$ 12.32</u>

(1) The number of RSUs shown represent the target number of awards. Actual number of shares that will potentially settle may range from 0% if the recipient’s service-based vesting condition is not met to 100% if the service-based vesting condition is met.

(2) The number of PSUs shown represent the target number of awards. Actual number of shares that will potentially settle may range from 0% to 200% based on the achievement of the performance goals defined in each grant award.

Restricted stock granted to employees generally vests in equal installments over a period of 3 years. RSUs generally vest in equal installments over a period of 3 years if granted to employees and one year if granted to a non-employee director. PSUs cliff vest based on performance results measured over a period of 3 years. The Company expects 130% of the remaining target PSUs outstanding as of March 31, 2026 will be settled on their vesting dates.

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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following table discloses the dividends payable to the Company's shareholders for common and preferred stock as well as to its employees and directors for DERs related to its outstanding RSUs and PSUs as of the dates indicated:

Dividends Payable	March 31, 2026		December 31, 2025	
<i>(\$s in thousands)</i>				
RSU DERs	\$	1,343	\$	1,578
PSU DERs		3,158		3,423
Accrued DERs		4,501		5,001
Common stock dividends	\$	35,181	\$	29,877
Preferred stock dividends		2,211		2,293
Accrued dividends		37,392		32,170
Total dividends payable	\$	41,893	\$	37,171

Total share-based compensation expense recognized by the Company for the three months ended March 31, 2026 was \$8 million compared to \$2 million for the three months ended March 31, 2025. The following table discloses the Company's remaining compensation expense related to stock awards it has granted as of March 31, 2026, which will be amortized over the period disclosed:

<i>(\$s in thousands)</i>	March 31, 2026	
	Remaining Compensation Cost	WAVG Period of Recognition
Restricted stock	\$ 100	0.9 years
RSUs	6,733	5.0 years
PSUs	6,935	2.3 years
Total	<u>\$ 13,768</u>	<u>3.6 years</u>

NOTE 8 - SEGMENT REPORTING

The Company's operations consist of one reportable segment which involves investing in MBS and funding these investments with repurchase agreements and equity. Because the Company's investment portfolio and financings are subject to market risks, primarily interest rate risk, management seeks to offset a portion of its market value exposure and financing costs through its interest rate derivative instruments ("hedging portfolio"). The Company's investment and hedging portfolios are managed together.

The Company's revenue is derived from its investment portfolio, which currently consists of primarily Agency RMBS. The Company's chief operating decision maker ("CODM") is its Co-CEO and President. Segment performance is measured by and resource allocation decisions are based on "comprehensive income (loss) to common shareholders." The segment's significant expense categories as shown on the Company's consolidated statement of comprehensive income are regularly provided to the CODM for review and are also used to make resource allocation decisions. Segment assets are total assets as shown on the Company's consolidated balance sheet.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company issued 8 million shares of its common stock through its ATM program, for which it received proceeds of approximately \$103 million, net of commissions.

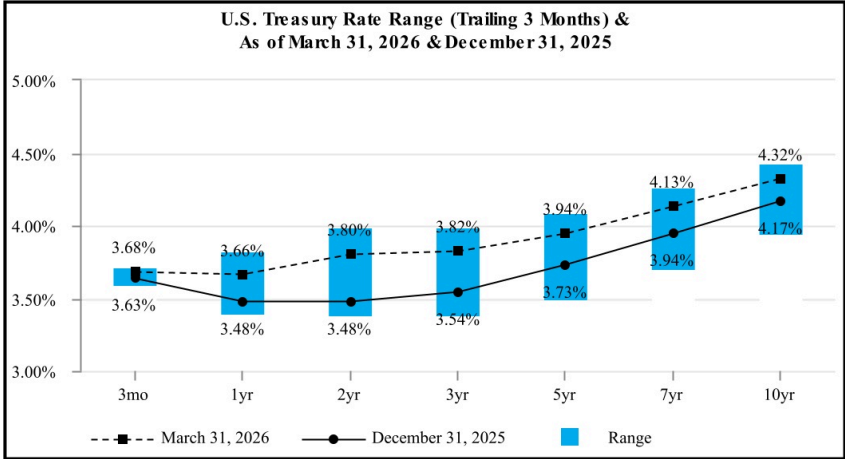
ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

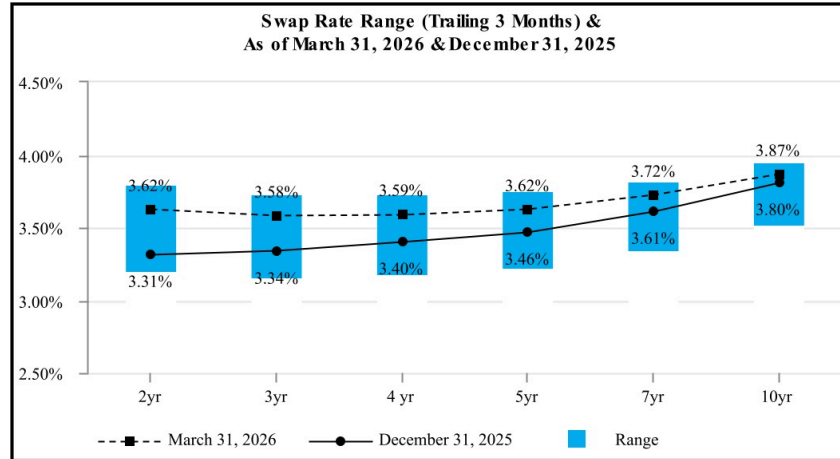
EXECUTIVE OVERVIEW

During the first quarter of 2026, financial markets experienced increased volatility as investors reassessed the outlook for inflation, monetary policy, and global growth amid heightened geopolitical uncertainty. While the U.S. economy continued to expand at a moderate pace, uncertainty around the inflation trajectory led market participants to reduce expectations for near-term Federal Reserve policy easing. Funding markets remained orderly, and liquidity across the mortgage and repo markets continued to function effectively. Spreads across Agency MBS widened meaningfully, particularly late in the quarter, as periodic correlation with risky assets increased amid macroeconomic and geopolitical developments.

Against this backdrop, Agency MBS continues to offer attractive long-term return potential relative to other high-quality fixed-income assets, particularly given muted new mortgage origination supply and the sector’s strong liquidity profile. We continue to monitor monetary policy, inflation trends, housing market activity, supply-and-demand dynamics, and geopolitical developments, as we assess their potential impact on interest rates, spreads, prepayment behavior, and financing conditions. We remain focused on disciplined portfolio construction, liquidity management, and risk positioning as market conditions continue to evolve.

The charts below show the range of U.S. Treasury and Secured Overnight Funding Rate (“SOFR”)-based swap rates for the three months ended March 31, 2026 and information regarding market spreads as of and for the periods indicated:





Investment Type: ⁽¹⁾	Market Spreads as of:		Change in Spreads YTD
	March 31, 2026	December 31, 2025	
Agency RMBS:			
2.0% coupon	73	70	3
2.5% coupon	76	73	3
4.0% coupon	52	50	2
4.5% coupon	53	45	8
5.0% coupon	56	46	10
5.5% coupon	63	51	12
6.0% coupon	64	54	10
Agency CMBS ⁽²⁾	84	82	2

(1) Option adjusted spreads (“OAS”) are based on Company estimates using third-party models and market data. OAS shown for prior periods may differ from previous disclosures because the Company regularly updates the third-party model used.

(2) Data is sourced from J.P. Morgan and represents the spread to swap rate on newly issued Agency securities collateralized by multifamily properties.

Summary of First Quarter 2026 Financial Performance

For the first quarter of 2026, our total economic return of \$(0.34) per common share was comprised of a decrease in book value of \$(0.85) per common share offset by dividends declared of \$0.51 per common share. The decrease in book value per common share was driven by a net loss of \$(140) million on our investment portfolio, net of hedges, which resulted primarily from widening mortgage spreads late in the quarter. We grew our capital base by \$442 million, using the proceeds to opportunistically add investments of \$6 billion, net of sales. Our adjusted leverage increased to 8.6 times equity primarily due to our use of repurchase agreement borrowings to partially finance these purchases.

Our interest income continued to increase as a result of our deployment of capital into Agency MBS purchases over recent quarters. In addition, the Federal Reserve's rate cuts in 2025 continued to benefit our repurchase agreement financing costs, which declined 33 basis points for the first quarter of 2026 compared to the prior quarter. Operating expenses for the first quarter of 2026 included an increase of \$3.4 million in share-based compensation expense, largely due to accelerated vesting conditions for equity grants associated with the departure of the Company's former chief financial officer.

The following table summarizes the changes in the Company's financial position during the three months ended March 31, 2026:

<i>(\$s in thousands except per share data)</i>	Net Change in Fair Value	Components of Comprehensive Income	Common Book Value Rollforward	Per Common Share
Balance as of December 31, 2025 ⁽¹⁾			\$ 2,350,644	\$ 13.45
Net interest income		\$ 79,254		
Periodic interest from interest rate swaps		1,698		
G & A and other operating expenses		(21,253)		
Preferred stock dividends		(2,658)		
Changes in fair value:				
MBS and other	\$ (243,238)			
TBAs	(13,879)			
U.S. Treasury futures	35,308			
Options on U.S. Treasury futures	(2,656)			
Interest rate swaps	84,591			
Interest rate swaptions	(335)			
Total net change in fair value		(140,209)		
Comprehensive loss to common shareholders			(83,168)	
Capital transactions:				
Net proceeds from stock issuance ⁽²⁾			446,903	
Common dividends declared			(104,609)	
Balance as of March 31, 2026 ⁽¹⁾			<u>\$ 2,609,770</u>	<u>\$ 12.60</u>

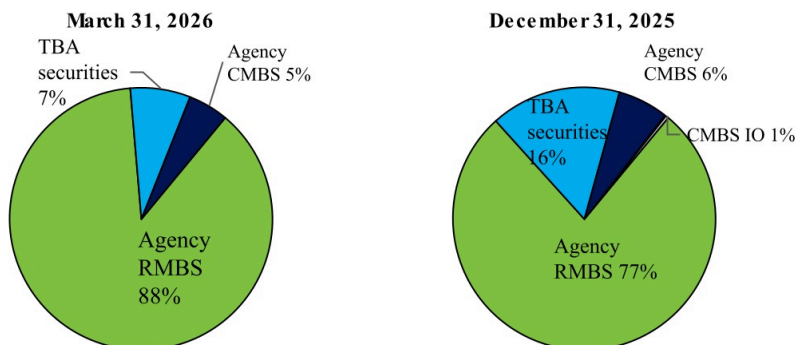
(1) Amounts represent total shareholders' equity less the aggregate liquidation preference of the Company's preferred stock of \$111.5 million, in thousands and on a per common share basis.

(2) Net proceeds from common stock issuance include approximately \$442 million from ATM issuances and approximately \$5 million from amortization of share-based compensation, net of grants, during the three months ended March 31, 2026.

FINANCIAL CONDITION

Investment Portfolio

Our investment portfolio, including TBAs, as of March 31, 2026, has increased \$6 billion, or 27%, since December 31, 2025, net of sales. We added over \$7 billion of Agency RMBS, net of sales of \$608 million, during the three months ended March 31, 2026. We reduced our TBA securities by a net notional of \$1.3 billion. The following charts compare the composition of our investment portfolio as of the dates indicated:



The following tables compare our 30-year fixed-rate Agency RMBS investments, including TBA dollar roll positions, as of the dates indicated:

Agency RMBS by Coupon (\$s in thousands)	March 31, 2026						
	Par/Notional	Amortized Cost/ Implied Cost Basis ⁽³⁾⁽⁵⁾	Fair Value ⁽⁴⁾⁽⁵⁾	Weighted Average			
				Loan Age (in months) ⁽⁶⁾	3 Month CPR ⁽⁶⁾⁽⁷⁾	Estimated Duration ⁽⁸⁾	Market Yield ⁽⁹⁾
2.0%	\$ 1,275,957	\$ 1,164,966	\$ 1,041,759	68	2.2 %	7.43	4.75 %
2.5%	648,281	646,466	554,603	65	4.6 %	6.97	4.76 %
4.0%	286,550	286,876	272,829	60	6.4 %	5.86	4.81 %
4.5% ⁽¹⁾	1,685,062	1,636,907	1,636,567	36	6.7 %	5.51	4.96 %
5.0%	7,479,116	7,434,011	7,420,134	13	3.9 %	5.01	5.11 %
5.5%	9,038,565	9,145,191	9,152,542	12	8.4 %	3.83	5.28 %
6.0%	1,494,282	1,537,251	1,538,780	11	14.8 %	2.72	5.40 %
TBA 4.5% ⁽²⁾	1,257,000	1,230,544	1,227,574	n/a	n/a	4.63	4.90 %
TBA 5.0%	603,000	600,548	594,473	n/a	n/a	4.91	5.20 %
Total	\$ 23,767,813	\$ 23,682,760	\$ 23,439,261	19	6.8 %	4.59	5.15 %

Agency RMBS by Coupon (\$s in thousands)	December 31, 2025						
	Par/Notional	Amortized Cost/ Implied Cost Basis ⁽³⁾⁽⁵⁾	Fair Value ⁽⁴⁾⁽⁵⁾	Weighted Average			
				Loan Age (in months) ⁽⁶⁾	3 Month CPR ⁽⁶⁾⁽⁷⁾	Estimated Duration ⁽⁸⁾	Market Yield ⁽⁹⁾
2.0%	\$ 603,965	\$ 613,475	\$ 497,097	63	5.2 %	7.42	4.68 %
2.5%	516,325	535,039	444,904	64	5.1 %	7.02	4.67 %
4.0%	293,073	293,432	281,889	57	6.5 %	5.89	4.63 %
4.5% ⁽¹⁾	1,911,130	1,853,757	1,881,304	33	5.8 %	5.46	4.74 %
5.0%	3,974,655	3,913,622	3,997,537	21	5.9 %	4.62	4.91 %
5.5%	6,325,638	6,361,758	6,465,769	13	8.1 %	3.39	5.10 %
6.0%	1,381,567	1,419,727	1,432,860	9	8.2 %	2.28	5.14 %
TBA 4.0%	1,162,000	1,101,441	1,102,764	n/a	n/a	6.29	4.76 %
TBA 4.5% ⁽²⁾	1,447,000	1,425,945	1,430,136	n/a	n/a	4.58	4.64 %
TBA 5.0%	176,000	175,287	175,670	n/a	n/a	4.51	5.03 %
TBA 5.5%	183,000	185,175	185,631	n/a	n/a	3.28	5.23 %
TBA 6.0%	221,000	226,218	226,922	n/a	n/a	1.99	5.24 %
Total	\$ 18,195,353	\$ 18,104,876	\$ 18,122,483	21	7.0 %	4.29	4.94 %

(1) Includes a par value of \$9 million of 4.5% 15-year Agency RMBS as of March 31, 2026 and December 31, 2025.

(2) Includes a notional amount of \$540 million of 4.5% 15-year TBA securities as of March 31, 2026 and \$690 million as of December 31, 2025.

(3) Implied cost basis of TBAs represents the forward price to be paid for the underlying Agency MBS.

(4) Fair value of TBAs is the implied market value of the underlying Agency security as of the end of the period.

(5) TBAs are included on the consolidated balance sheet within "derivative assets/liabilities" at their net carrying value which is the difference between their implied market value and implied cost basis. Please refer to Note 5 of the Notes to the Consolidated Financial Statements for additional information.

(6) TBAs are excluded from this calculation as they do not have a defined weighted-average loan balance or age until mortgages have been assigned to the pool.

(7) Constant prepayment rate ("CPR") represents the 3-month CPR of Agency RMBS held as of date indicated.

(8) Duration measures the sensitivity of a security's price to the change in interest rates and represents the percent change in price of a security for a 100-basis point increase in interest rates. We calculate duration using third-party financial models and empirical data. Different models and methodologies can produce different estimates of duration for the same securities.

(9) Represents the weighted average market yield projected using cash flows generated from the forward curve based on market prices as of the date indicated and assuming zero volatility.

Our Agency CMBS consist of loans collateralized by multifamily properties. Though we expect our exposure to Agency CMBS to remain modest as a percentage of the total portfolio, we will add Agency CMBS from time to time whenever we believe the risk-adjusted return profile aligns with our investment strategy. In addition to offering strong relative value, Agency CMBS help diversify and stabilize the portfolio's cash flow and total return profile, given their unique prepayment characteristics and underlying asset base.

Agency CMBS IO are backed by loans collateralized by multifamily properties. Our Agency CMBS IO are from Freddie Mac Series K deals from which interest continues to be advanced even in the event of an underlying default up until liquidation. Our non-Agency CMBS IO were all originated prior to 2018 and are backed by loans collateralized by a number of different property types, such as multifamily, office, retail, hotels, industrial, storage, and others. Our non-Agency CMBS IO investments are nearing maturity and have very little amortized cost remaining; any changes in actual payments may result in large swings in yield as shown below.

The following table provides certain information regarding our CMBS and CMBS IO as of the dates indicated:

March 31, 2026					
<i>(\$s in thousands)</i>	Par/Notional Value	Amortized Cost	Fair Value	WAVG Life₍₁₎ Remaining	WAVG Market Yield ⁽²⁾
Agency CMBS	\$ 1,244,753	\$ 1,246,548	\$ 1,244,801	5.5	4.37 %
CMBS IO	5,790,816	81,484	81,242	4.6	7.21 %
Total		\$ 1,328,032	\$ 1,326,043		

December 31, 2025					
<i>(\$s in thousands)</i>	Par/Notional Value	Amortized Cost	Fair Value	WAVG Life₍₁₎ Remaining	WAVG Market Yield ⁽²⁾
Agency CMBS	\$ 1,210,953	\$ 1,213,107	\$ 1,218,343	5.5	4.25 %
CMBS IO	6,000,525	87,557	87,285	4.7	10.40 %
Total		\$ 1,300,664	\$ 1,305,628		

(1) Represents the weighted average life remaining in years based on contractual cash flows as of the dates indicated.

(2) Represents the weighted average market yield projected using cash flows generated off the forward curve based on market prices as of the dates indicated and assuming zero volatility.

Repurchase Agreements

Our repurchase agreement borrowings increased to \$21 billion as of March 31, 2026 from \$14 billion as of December 31, 2025. These borrowings were used to partially finance our purchases of Agency MBS during the three months ended March 31, 2026. We have not experienced any difficulty in securing financing with any of our counterparties, and our repurchase agreement counterparties have not indicated any concerns regarding leverage or credit. Please refer to [Note 4](#) of the Notes to the Consolidated Financial Statements contained within this Quarterly Report on Form 10-Q as well as "Results of Operations" and "Liquidity and Capital Resources" contained within this Item 2 for additional information relating to our repurchase agreement borrowings.

Derivative Assets and Liabilities

Please refer to [Note 5](#) of the Notes to the Consolidated Financial Statements for details on our interest rate hedging instruments as well as "Liquidity and Capital Resources" within Item 2 and "Quantitative and Qualitative Disclosures about Market Risk" within Item 3 of this Quarterly Report on Form 10-Q.

RESULTS OF OPERATIONS

The following table summarizes the results of operations for the periods discussed in this section:

<i>\$\$ in thousands</i>	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Net interest income	\$ 79,254	\$ 43,484	\$ 17,133
Realized gain on sales of investments, net	8,721	—	—
Unrealized (loss) gain on investments, net	(251,811)	84,732	109,997
Gain (loss) on derivative instruments, net	104,727	73,781	(118,088)
Operating expenses, net	(21,253)	(16,639)	(12,118)
Preferred stock dividends	(2,658)	(2,760)	(1,923)
Net (loss) income to common shareholders	(83,020)	182,598	(4,999)
Other comprehensive (loss) income	(148)	7,008	19,390
Comprehensive (loss) income to common shareholders	\$ (83,168)	\$ 189,606	\$ 14,391

Net Interest Income for the Three Months Ended March 31, 2026 Compared to the Three Months Ended December 31, 2025

Net interest income and net interest spread for the three months ended March 31, 2026, increased compared to the three months ended December 31, 2025, due to our recent purchases of higher yielding Agency MBS. Though interest expense increased due to an increase in repurchase agreement borrowings used to finance these purchases, the average financing rate we paid declined 33 basis points over the comparative periods.

The impact of net periodic interest on our economic net interest income for the three months ended March 31, 2026, decreased approximately \$6 million, or 20 basis points as a percentage of average repurchase agreement borrowings, compared to the three months ended December 31, 2025. Our weighted average net receive rate declined 29 basis points to almost 0% for the three months ended March 31, 2026.

The following table presents information about our interest-earning assets and interest-bearing liabilities and their performance for the periods indicated:

<i>(\$\$ in thousands)</i>	Three Months Ended					
	March 31, 2026			December 31, 2025		
	Interest Income/Expense	Average Balance ⁽¹⁾	Effective Yield/ Financing Cost ⁽³⁾⁽⁴⁾	Interest Income/Expense	Average Balance ⁽¹⁾	Effective Yield/ Financing Cost ⁽³⁾⁽⁴⁾
Agency RMBS	\$ 236,350	\$ 18,926,563	5.00 %	\$ 158,160	\$ 12,712,611	4.98 %
Agency CMBS	12,530	1,177,399	4.26 %	9,992	915,117	4.27 %
CMBS IO ⁽⁵⁾	1,781	84,531	8.23 %	1,484	90,573	6.25 %
Other investments	6	461	3.98 %	7	769	3.22 %
Subtotal	\$ 250,667	\$ 20,188,954	4.97 %	\$ 169,643	\$ 13,719,070	4.94 %
Cash equivalents	6,723			7,393		
Total interest income	\$ 257,390			\$ 177,036		
Repurchase agreement financing	(178,136)	18,470,997	(3.86)%	(133,552)	12,469,902	(4.19)%
Net interest income (expense)/spread	\$ 79,254		1.11 %	\$ 43,484		0.75 %
Net periodic interest ⁽⁶⁾	1,698		0.04 %	7,598		0.24 %
Economic net interest income (expense)/spread ⁽⁶⁾	\$ 80,952		1.15 %	\$ 51,082		0.99 %

*Table Note: Data may not foot due to rounding.

(1) Average balance for assets is calculated as a simple average of the daily amortized cost and excludes securities pending settlement if applicable.

(2) Average balance for liabilities is calculated as a simple average of the daily borrowings outstanding during the period.

(3) Effective yield is calculated by dividing interest income by the average balance of asset type outstanding during the reporting period. Unscheduled adjustments to premium/discount amortization/accretion, such as for prepayment compensation, are not annualized in this calculation.

(4) Financing cost is calculated by dividing annualized interest expense by the total average balance of borrowings outstanding during the period with an assumption of 360 days in a year.

(5) Includes Agency and non-Agency issued securities.

(6) Net periodic interest is the difference between the fixed interest rate we pay and the variable interest rate we receive on our interest rate swaps. It is a component of economic net interest income (expense), a non-GAAP measure. Please refer to the section below "Non-GAAP Financial Measures" for more information.

Net Interest Income for the Three Months Ended March 31, 2026 Compared to the Three Months Ended March 31, 2025

Net interest income and net interest spread increased for the three months ended March 31, 2026, compared to the three months ended March 31, 2025 due to the purchases of higher yielding Agency MBS over the past year. Though interest expense increased due to an increase in repurchase agreement borrowings used to finance these purchases, the average financing rate we paid declined 70 basis points over the comparative periods primarily as a result of the Federal Reserve's rate cuts since first quarter of 2025.

The impact of net periodic interest on our economic net interest income for the three months ended March 31, 2026, decreased over \$9 million, or 60 basis points as a percentage of average repurchase agreement borrowings, compared to the three months ended March 31, 2025. Our weighted average net receive rate declined 68 basis points to almost 0% for the three months ended March 31, 2026.

The following table presents information about our interest-earning assets and interest-bearing liabilities and their performance for the periods indicated:

**Three Months Ended
March 31,**

	2026			2025		
	Interest Income/Expense	Average Balance ⁽¹⁾	Effective Yield/Financing Cost ⁽³⁾⁽⁴⁾	Interest Income/Expense	Average Balance ⁽¹⁾	Effective Yield/Financing Cost ⁽³⁾⁽⁴⁾
<i>(\$s in thousands)</i>						
Agency RMBS	\$ 236,350	\$ 18,926,563	5.00 %	\$ 90,075	\$ 7,726,081	4.66 %
Agency CMBS	12,530	1,177,399	4.26 %	735	86,880	3.38 %
CMBS IO ⁽⁵⁾	1,781	84,531	8.23 %	2,332	113,263	8.74 %
Other investments	6	461	3.98 %	14	999	4.96 %
Subtotal	\$ 250,667	\$ 20,188,954	4.97 %	\$ 93,156	\$ 7,927,223	4.71 %
Cash equivalents	6,723			1,903		
Total interest income	\$ 257,390			\$ 95,059		
Repurchase agreement financing	(178,136)	18,470,997	(3.86)%	(77,926)	6,842,485	(4.56)%
Net interest income/spread	\$ 79,254		1.11 %	\$ 17,133		0.15 %
Net periodic interest ⁽⁶⁾	1,698		0.04 %	10,851		0.64 %
Economic net interest income/spread ⁽⁶⁾	\$ 80,952		1.15 %	\$ 27,984		0.79 %

*Table Note: Data may not foot due to rounding.

(1) Average balance for assets is calculated as a simple average of the daily amortized cost and excludes securities pending settlement if applicable.

(2) Average balance for liabilities is calculated as a simple average of the daily borrowings outstanding during the period.

(3) Effective yield is calculated by dividing interest income by the average balance of asset type outstanding during the reporting period. Unscheduled adjustments to premium/discount amortization/accretion, such as for prepayment compensation, are not annualized in this calculation.

(4) Financing cost is calculated by dividing annualized interest expense by the total average balance of borrowings outstanding during the period with an assumption of 360 days in a year.

(5) Includes Agency and non-Agency issued securities.

(6) Net periodic interest is the difference between the fixed interest rate we pay and the variable interest rate we receive on our interest rate swaps. It is a component of economic net interest income (expense), a non-GAAP measure. Please refer to the section below "Non-GAAP Financial Measures" for more information.

Gains (Losses) on Investments and Derivative Instruments

For the three months ended March 31, 2026, losses on our investment portfolio exceeded gains on our hedges by approximately \$(139) million, which includes \$2 million in net periodic interest we earned from interest rate swaps. The fair value of our investment portfolio declined \$(257) million during the three months ended March 31, 2026 primarily due to widening of mortgage spreads to U.S. Treasuries. The impact of higher U.S. Treasury rates on our investments was offset by net gains on our interest rate hedges of \$119 million, which also benefited from higher SOFR-based swap rates during the three months ended March 31, 2026.

For the three months ended December 31, 2025, we recorded net gains of \$109 million on our investment portfolio due mostly to spread tightening on our assets. We also recorded net gains of \$56 million on our interest rate hedging portfolio driven primarily from management of our interest rate swaps as rates increased during the fourth quarter of 2025.

For the three months ended March 31, 2025, the fair value of our investment portfolio increased \$171.6 million primarily due to a decline of 36 basis points in the 10-year U.S. Treasury rate. These gains were mostly offset by net losses on our hedging portfolio of \$(171.1) million (excluding \$10.9 million of net periodic interest we earned from our interest rate swaps), as a result of the decline in 10-year and 30-year U.S. Treasury rates as well as SOFR rates across the curve.

The following tables provide details on realized and unrealized gains and losses within our investment and interest rate hedging portfolios for the periods indicated:

	Three Months Ended March 31, 2026			
	Realized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in OCI	Total Change in Fair Value
<i>(\$s in thousands)</i>				
Investment portfolio:				
Agency RMBS	\$ 8,461	\$ (244,781)	\$ (224)	\$ (236,544)
Agency CMBS	260	(6,981)	(2)	(6,723)
CMBS IO	—	(47)	78	31
Other investments	—	(2)	—	(2)
Subtotal	8,721	(251,811)	(148)	(243,238)
TBA securities ⁽¹⁾	2,223	(16,102)	—	(13,879)
Net gain on investments	\$ 10,944	\$ (267,913)	\$ (148)	\$ (257,117)
Interest rate hedging portfolio:				
U.S. Treasury futures	\$ (1,098)	\$ 36,406	\$ —	\$ 35,308
Interest rate swaps ⁽²⁾	1,331	84,958	—	86,289
Interest rate swaptions	—	(335)	—	(335)
Options on U.S. Treasury futures	(3,981)	1,325	—	(2,656)
Net loss on interest rate hedges	\$ (3,748)	\$ 122,354	\$ —	\$ 118,606
Total net gain	\$ 7,196	\$ (145,559)	\$ (148)	\$ (138,511)

	Three Months Ended December 31, 2025			
	Realized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in OCI	Total Change in Fair Value
<i>(\$s in thousands)</i>				
Investment portfolio:				
Agency RMBS	\$ —	\$ 84,123	\$ 6,080	\$ 90,203
Agency CMBS	—	512	158	670
CMBS IO	—	74	770	844
Other investments	—	23	—	23
Subtotal	—	84,732	7,008	91,740
TBA securities ⁽¹⁾	12,486	4,806	—	17,292
Net gain on investments	\$ 12,486	\$ 89,538	\$ 7,008	\$ 109,032
Interest rate hedging portfolio:				
U.S. Treasury futures	\$ (37,778)	\$ 50,038	\$ —	\$ 12,260
Interest rate swaps ⁽²⁾	7,598	47,734	—	55,332
Interest rate swaptions	—	(3,759)	—	(3,759)
Options on U.S. Treasury futures	(6,527)	(817)	—	(7,344)
Net loss on interest rate hedges	\$ (36,707)	\$ 93,196	\$ —	\$ 56,489
Total net gain	\$ (24,221)	\$ 182,734	\$ 7,008	\$ 165,521

	Three Months Ended March 31, 2025			
	Realized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in Net Income	Unrealized Gain (Loss) Recognized in OCI	Total Change in Fair Value
<i>(\$s in thousands)</i>				
Investment portfolio:				
Agency RMBS	\$ —	\$ 109,260	\$ 16,916	\$ 126,176
Agency CMBS	—	110	1,126	1,236
CMBS IO	—	609	1,348	1,957
Other investments	—	18	—	18
Subtotal	—	109,997	19,390	129,387
TBA securities ⁽¹⁾	17,323	24,851	—	42,174
Net gain (loss) on investments	\$ 17,323	\$ 134,848	\$ 19,390	\$ 171,561
Interest rate hedging portfolio:				
U.S. Treasury futures	\$ (25,801)	\$ (18,546)	\$ —	\$ (44,347)
Interest rate swaps	10,851	(127,577)	—	(116,726)
Interest rate swaptions	—	811	—	811
Net (loss) gain on interest rate hedges	\$ (14,950)	\$ (145,312)	\$ —	\$ (160,262)
Total net gain (loss)	\$ 2,373	\$ (10,464)	\$ 19,390	\$ 11,299

- (1) Realized and unrealized gains (losses) on TBA securities are recorded within “gain (loss) on derivative instruments, net” on the Company’s consolidated statements of comprehensive income.
- (2) Realized gain for interest rate swaps consists of net periodic interest benefit of \$1.7 million for the three months ended March 31, 2026, \$7.6 million for the three months ended December 31, 2025, and \$10.9 million for the three months ended March 31, 2025.

We hold long and short positions in TBA securities by executing a series of transactions, commonly referred to as “dollar roll” transactions, which effectively delay the settlement of a forward purchase (or sale) of a non-specified Agency RMBS by entering into an offsetting TBA position, net settling the paired-off positions in cash, and simultaneously entering into an identical TBA long (or short) position with a later settlement date. TBA securities purchased or sold for a forward settlement date are generally priced at a discount relative to TBA securities settling in the current month because the current month settlement will receive a coupon sooner than the TBA settling in a forward month. This price difference, often referred to as “drop income,” represents the economic equivalent of net interest income (interest income less implied financing cost) on the underlying Agency security from the trade date to the settlement date. We account for all TBAs (whether net long or net short positions, or collectively “TBA dollar roll positions”) as derivative instruments because we cannot assert that it is probable at inception and throughout the term of an individual TBA transaction that its settlement will result in physical delivery of the underlying Agency RMBS, or that the individual TBA transaction will settle in the shortest period possible.

The following table presents information regarding the performance of our TBA dollar roll transactions for the periods indicated:

	Three Months Ended					
	March 31, 2026			December 31, 2025		
	Implied Net Interest Income ⁽¹⁾	Average Balance	Implied Net Spread	Implied Net Interest Expense ⁽¹⁾	Average Balance	Implied Net Spread
<i>(\$s in thousands)</i>						
TBA	\$ 4,764	\$ 1,997,823	0.95 %	\$ 2,716	\$ 2,446,336	0.44 %

	Three Months Ended March 31, 2025		
	Implied Net Interest Expense ⁽¹⁾	Average Balance	Implied Net Spread
TBA	\$ 4,785	\$ 2,400,084	0.80 %

- (1) Implied net interest income (expense) is also referred to as “drop income (loss)” and represents a portion of the total realized gain (loss) from our TBA dollar roll transactions recorded within “gain (loss) on derivative instruments, net.”

Operating expenses for the three months ended March 31, 2026 increased \$5 million compared to the three months ended December 31, 2025 and \$9 million compared to the three months ended March 31, 2025. In addition to higher salary and share-based compensation expenses resulting from new employees, operating expenses also increased due to accelerated vesting of equity grants and other severance expenses associated with the departure of the Company's former chief financial officer.

Non-GAAP Financial Measures

In addition to reporting the Company's financial results determined in accordance with GAAP, management of the Company believes that investors' understanding of our operating results may be enhanced by the use of non-GAAP financial measures, which are used by management internally, along with GAAP measures, to evaluate our performance. Our non-GAAP financial measures include earnings available for distribution ("EAD") to common shareholders (including per common share) and economic net interest income and the related metric economic net interest spread. Management believes these non-GAAP financial measures may be useful to investors because they are viewed by management as additional measures of the investment portfolio's return.

Drop income generated by TBA dollar roll positions, which is included in "gain (loss) on derivatives instruments, net" on the Company's consolidated statements of comprehensive income, is included in EAD because management views drop income as the economic equivalent of net interest income (interest income less implied financing cost) on the underlying Agency security from trade date to settlement date. However, drop income does not represent the total realized gain/loss from the Company's investments in TBA securities.

Management also includes net periodic interest from its interest rate swaps, which is included in "gain (loss) on derivatives instruments, net," in EAD and economic net interest income because interest rate swaps are used by the Company to economically hedge the impact of changing interest rates on its borrowing costs from repurchase agreements, and including net periodic interest from interest rate swaps is a helpful indicator of the Company's total financing cost in addition to GAAP interest expense.

Non-GAAP financial measures are not a substitute for GAAP measures and may be different from non-GAAP measures used by other companies. In addition, other companies, including in our industry, may calculate comparable measures differently, which reduces their usefulness as comparative measures. Investors should not rely on any single financial measure when evaluating our business. These non-GAAP measures should be considered as supplemental in nature and not as a substitute for our operating results in accordance with GAAP.

Reconciliations of each non-GAAP measure to certain GAAP financial measures are provided below.

Reconciliations of GAAP to Non-GAAP Financial Measures:	Three Months Ended	
	March 31, 2026	December 31, 2025
<i>(\$s in thousands except per share data)</i>		
Comprehensive (loss) income to common shareholders (GAAP)	\$ (83,168)	\$ 189,606
Less:		
Change in fair value of investments ⁽¹⁾	243,238	(91,740)
Change in fair value of derivative instruments, net ⁽²⁾	(98,266)	(63,467)
EAD to common shareholders (non-GAAP)	\$ 61,804	\$ 34,399
Average common shares outstanding	200,084,349	156,041,438
EAD per common share (non-GAAP)	\$ 0.31	\$ 0.22
Net interest income (GAAP)	\$ 79,254	\$ 43,484
Net periodic interest earned from interest rate swaps	1,698	7,598
Economic net interest income (non-GAAP)	80,952	51,082
TBA drop income ⁽³⁾	4,763	2,716
Total operating expenses	(21,253)	(16,639)
Preferred stock dividends	(2,658)	(2,760)
EAD to common shareholders (non-GAAP)	\$ 61,804	\$ 34,399
Net interest spread (GAAP)	1.11 %	0.75 %
Net periodic interest from interest rate swaps as a percentage of average repurchase borrowings	0.04 %	0.24 %
Economic net interest spread (non-GAAP)	1.15 %	0.99 %

(1) Amount includes realized and unrealized gains and losses due to changes in the fair value of the Company's MBS.

(2) The following table reconciles "change in fair value of derivative instruments, net" to the "gain (loss) on derivative instruments, net" shown on the consolidated statements of comprehensive income.

(\$s in thousands)	Three Months Ended	
	March 31, 2026	December 31, 2025
Gain on derivative instruments, net	\$ 104,727	\$ 73,781
Less:		
TBA drop income	(4,763)	(2,716)
Net periodic interest earned from interest rate swaps	(1,698)	(7,598)
Change in fair value of derivative instruments, net	\$ 98,266	\$ 63,467

(3) TBA drop income is calculated by multiplying the notional amount of the TBA dollar roll positions by the difference in price between two TBA securities with the same terms but different settlement dates.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity include borrowings under repurchase arrangements and monthly principal and interest payments we receive on our investments. Additional sources may include proceeds from the sale of investments, equity offerings, and net payments received from counterparties for derivative instruments. We use our liquidity to purchase investments, to pay amounts due on our repurchase agreement borrowings, and to pay our operating expenses and dividends on our common and preferred stock. We also use our liquidity to meet margin requirements for our repurchase agreements and derivative transactions, including TBA contracts, under the terms of the related agreements. We may also periodically use liquidity to repurchase shares of the Company's stock.

During the three months ended March 31, 2026, we issued 32,101,365 shares of common stock through our ATM program, resulting in proceeds of \$0.4 billion, net of broker commissions and fees. We deployed these proceeds into purchases of Agency RMBS.

Our liquidity fluctuates based on our investment activities, leverage, capital raising activities, and changes in the fair value of our investments and derivative instruments. Our measurement of liquidity includes unrestricted cash and cash equivalents and unpledged Agency MBS, which are recognized as assets on our consolidated balance sheet. In our measure of liquidity, we also include the fair value of noncash collateral pledged to us by our counterparties, which we typically receive when the fair value of our pledged collateral exceeds our current margin requirement. Our liquidity as of March 31, 2026, was approximately \$1.3 billion, which consisted of unrestricted cash of \$773 million and unpledged Agency MBS with a fair value of \$478 million. Our liquidity was \$1.4 billion as of December 31, 2025.

We continuously monitor our liquidity, especially with potential risk events on the horizon, such as tariff changes, potential GSE transition, uncertainty regarding Federal Reserve policy decisions, the size of the Federal Reserve's balance sheet, quantitative tightening or easing measures, federal government shutdowns, and the impact on global markets stemming from global central bank policies. We are also monitoring the wars and conflicts around the globe. We continuously assess the adequacy of our liquidity under various scenarios based on changes in the fair value of our investments and derivative instruments due to market factors such as changes in the absolute level of interest rates and the shape of the yield curve, credit spreads, lender haircuts, and prepayment speeds, which in turn have an impact on margin requirements. In performing these analyses, we also consider the current state of the fixed-income markets and the repurchase agreement markets to determine if market forces such as supply-demand imbalances or structural changes to these markets could change the liquidity of MBS or the availability of financing. We have not experienced any material changes in the terms of our repurchase agreements with our counterparties, and they have not indicated to us any concerns regarding access to liquidity.

In addition to the GSE guarantee of principal payments on our Agency investments, we expect the capital and repurchase agreement markets will remain accessible at capacities sufficient to cover our short-term and long-term liquidity needs.

Our perception of the liquidity of our investments and market conditions significantly influences our targeted leverage. In general, our leverage will increase if we view the risk-reward opportunity of higher leverage on

our capital outweighs the risk to our liquidity and book value. Our leverage, which we calculate using total liabilities plus the cost basis of TBA long positions, was 8.6 times shareholders' equity as of March 31, 2026. We include 100% of the cost basis of our TBA securities in evaluating our leverage because it is possible under certain market conditions that it may be uneconomical for us to roll a TBA long position into future months, which may result in us having to take physical delivery of the underlying securities and use cash or other financing sources to fund our total purchase commitment.

Repurchase Agreements

Leverage based solely on repurchase agreement amounts outstanding was 7.7 times shareholders' equity as of March 31, 2026. Our repurchase agreement borrowings are uncommitted with terms renewable at the discretion of our lenders and generally have original terms to maturity of overnight to six months, though in some instances, we may enter into longer-dated maturities depending on market conditions. We seek to maintain unused capacity under our existing repurchase agreement credit lines with multiple counterparties, which helps protect us in the event of a counterparty's failure to renew existing repurchase agreements. As part of our continuous evaluation of counterparty risk, we maintain our highest counterparty exposures with broker-dealer subsidiaries of regulated financial institutions or primary dealers.

The amount outstanding for our repurchase agreement borrowings will typically fluctuate in any given period as it is dependent upon several factors, but particularly the extent to which we are active in buying and selling securities, including the volume of activity in TBA dollar roll transactions versus buying specified pools. The following table presents information regarding the balances of our repurchase agreement borrowings as of and for the periods indicated:

	Repurchase Agreements		
	Balance Outstanding As of Quarter End	Average Balance Outstanding For the Quarter Ended	Maximum Balance Outstanding During the Quarter Ended
(\$s in thousands)			
March 31, 2026	\$ 21,045,457	\$ 18,470,997	\$ 21,045,636
December 31, 2025	13,904,231	12,469,902	13,904,304
September 30, 2025	11,753,522	10,468,568	11,754,581
June 30, 2025	8,600,143	7,871,627	8,600,487
March 31, 2025	7,234,723	6,842,485	7,234,723

For our repurchase agreement borrowings, we are required to post and maintain margin to the lender (i.e., collateral in excess of the repurchase agreement borrowing) in order to support the amount of the financing. This excess collateral is often referred to as a "haircut" and is intended to provide the lender protection against fluctuations in the fair value of the collateral and/or the failure by us to repay the borrowing at maturity. Lenders have the right to change haircut requirements at maturity of the repurchase agreement and may change their haircuts based on market conditions and the perceived riskiness of the collateral pledged. If the fair value of the collateral falls below the amount required by the lender, the lender has the right to demand additional margin or collateral. If we fail to meet any margin call, our lenders have the right to terminate the repurchase agreement and sell any collateral pledged. The weighted average haircut for our borrowings as of March 31, 2026, was consistent with prior periods, typically averaging less than 5% for borrowings collateralized with Agency RMBS and CMBS and between 10-14% for borrowings collateralized with CMBS IO.

The collateral we post in excess of our repurchase agreement borrowing with any counterparty is also typically referred to by us as "equity at risk," which represents the potential loss to the Company if the counterparty is unable or unwilling to return collateral securing the repurchase agreement borrowing at its maturity. The counterparties with whom we have the greatest amounts of equity at risk may vary significantly during any given period due to the short-term and uncommitted nature of the repurchase agreement borrowings. As of March 31, 2026, we had amounts outstanding with over 25 counterparties and did not have more than 10% of equity at risk with any counterparty or group of related counterparties.

We have various financial and operating covenants in certain of our repurchase agreements, which we monitor and evaluate on an ongoing basis for compliance as well as for impacts these customary covenants may have on our operating and financing flexibility. We do not believe we are subject to any covenants that materially restrict our financing flexibility. We were in full compliance with our debt covenants as of March 31, 2026, and we are not aware of circumstances that could potentially result in our non-compliance in the near future.

Derivative Instruments

Derivative instruments we enter into may require us to post initial margin at inception and daily variation margin based on subsequent changes in their fair value. Daily variation margin requirements also entitle us to receive collateral from our counterparties if the value of amounts owed to us under the derivative agreement exceeds the minimum margin requirement. The collateral posted as margin by us is typically in cash. As of March 31, 2026, we had cash collateral posted to our counterparties of \$517 million under these agreements.

Collateral requirements for interest rate derivative instruments are typically governed by the central clearing exchange and the associated futures commission merchant, which may establish margin requirements in excess of the clearing exchange. Collateral requirements for our TBA contracts are governed by the Mortgage-Backed Securities Division ("MBS Division") of the Fixed Income Clearing Corporation and, if applicable, by our third-party brokerage agreements, which may establish margin levels in excess of the MBS Division. Our TBA contracts, which are subject to master securities forward transaction agreements published by the Securities Industry and Financial Markets Association as well as supplemental terms and conditions with each counterparty, generally provide that valuations for our TBA contracts and any pledged collateral are to be obtained from a generally recognized source agreed to by both parties. However, in certain circumstances, our counterparties have the sole discretion to determine the value of the TBA contract and any pledged collateral. In such instances, our counterparties are required to act in good faith in making determinations of value. In the event of a margin call, we must generally provide additional collateral on the same business day.

The following table provides details on the "net (payments) receipts on derivative instruments" shown on our consolidated statements of cash flows for the periods indicated:

Cash received or paid by instrument:	Three Months Ended March 31,	
	2026	2025
	(\$ in thousands)	
Interest rate swaps:		
Net variation margin (paid) received	\$ 115,912	\$ (109,360)
Paid upon maturity/termination	(367)	—
Net periodic interest ⁽¹⁾	1,225	—
	<u>116,770</u>	<u>(109,360)</u>
U.S. Treasury futures:		
Net variation margin received (paid)	48,720	(11,482)
Paid upon maturity/termination	(1,098)	(25,801)
	<u>47,622</u>	<u>(37,283)</u>
TBA securities:		
Received upon settlement	4,650	9,608
Net receipts (payments) on derivative instruments	<u>\$ 169,042</u>	<u>\$ (137,035)</u>

(1) Net periodic interest from our effective interest rate swaps is recognized as income or expense during the period earned or incurred, but the cash is not received or paid until the anniversary of each agreement's effective date or upon maturity.

Dividends

We set our dividend based on many factors, including our view on long-term returns, yield on comparable investments, liquidity and market risk, and taxable income. Among these factors, we focus on economic returns and taxable income within the context of the distribution requirements. As a REIT, we are required to distribute to our shareholders amounts equal to at least 90% of our REIT taxable income for each taxable year after certain deductions, including the separate dividend requirements of the Series C Preferred Stock.

We designate certain derivative instruments as interest rate hedges for tax purposes. Realized gains (losses) resulting from the difference in fair value and the amount of cash received or paid upon termination or maturity of designated derivative instruments are included in GAAP earnings in the same reporting period in which the derivative instrument matures or is terminated by the Company but are generally not recognized in REIT taxable income until future periods. Non-designated derivative instruments are included in GAAP earnings and REIT taxable income in the same period the derivative instrument matures or is terminated by the Company. The table below provides the projected amortization of the Company's net deferred tax hedge gains that may be recognized as taxable income over the periods indicated, given conditions known as of March 31, 2026; however, uncertainty inherent in the forward interest rate curve makes future realized gains and losses difficult to estimate, and as such, these projections are subject to change for any given period.

Projected Period of Recognition for Tax Hedge Gains, Net	March 31, 2026
	(\$ in thousands)
Fiscal year 2026	\$ 95,229
Fiscal year 2027	90,407
Fiscal year 2028	84,373
Fiscal year 2029 and thereafter	276,030
	<u>\$ 546,039</u>

As of March 31, 2026, we also had \$487 million in capital loss carryforwards, \$305 million of which will expire by December 31, 2027 and the remainder by December 31, 2028. Due to these amounts and other temporary and permanent differences between GAAP net income and REIT taxable income, coupled with the uncertainty inherent in the forward interest rate curve, we cannot reasonably estimate how much the deferred tax hedge gains to be recognized will impact our dividend declarations during 2026 or in any given period.

We fund dividend distributions through portfolio cash flows, existing cash balances, or through the return of principal from our investments (either through repayment or sale). Please refer to "Operating and Regulatory Structure" within Part I, Item 1, "Business," as well as Part I, Item 1A, "Risk Factors" of our 2025 Form 10-K for additional important information regarding our deferred tax hedge gains and dividends declared on our taxable income.

RECENT ACCOUNTING PRONOUNCEMENTS

Please refer to [Note 1](#) of the Notes to the Unaudited Consolidated Financial Statements contained within Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

CRITICAL ACCOUNTING ESTIMATES

The discussion and analysis of our financial condition and results of operations are based in large part upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. We base these estimates and judgments on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual results may differ from the estimated amounts we have recorded.

Critical accounting estimates are defined as those that require management's most difficult, subjective, or complex judgments, and which may result in materially different results under different assumptions and conditions.

Our critical accounting estimates are discussed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2025 Form 10-K under “Critical Accounting Estimates.” There have been no significant changes in our critical accounting estimates during the three months ended March 31, 2026.

FORWARD-LOOKING STATEMENTS

Certain written statements in this Quarterly Report on Form 10-Q that are not historical facts constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Statements in this report addressing expectations, assumptions, beliefs, projections, future plans and strategies, future events, developments that we expect or anticipate will occur in the future, and future operating results, capital management, and dividend policy are forward-looking statements. Forward-looking statements are based upon management’s beliefs, assumptions, and expectations as of the date of this report regarding future events and operating performance, considering all information currently available to us, and are applicable only as of the date of this report. Forward-looking statements generally can be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “plan,” “may,” “will,” “intend,” “should,” “could,” or similar expressions. We caution readers not to place undue reliance on our forward-looking statements, which are not historical facts and may be based on projections, assumptions, expectations, and anticipated events that do not materialize. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements are inherently subject to risks, uncertainties and other factors that could cause our actual results to differ materially from historical results or from any results expressed or implied by such forward-looking statements. Not all these risks and other factors are known to us. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. The projections, assumptions, expectations, or beliefs upon which the forward-looking statements are based can also change as a result of these risks or other factors. If such a risk or other factor materializes in future periods, our business, financial condition, liquidity, and results of operations may vary materially from those expressed or implied in our forward-looking statements.

While it is not possible to identify all factors that may cause actual results to differ from historical results or any results expressed or implied by forward-looking statements or that may cause our projections, assumptions, expectations, or beliefs to change, some of those factors include the following:

- the risks and uncertainties referenced in this Quarterly Report on Form 10-Q, especially those incorporated by reference into Part I, Item 1A, “Risk Factors,”
- our ability to find suitable reinvestment opportunities;
- changes in domestic economic conditions;
- geopolitical events and instability and the related impact on macroeconomic conditions as a result of such related uncertainty;
- tariffs that the U.S. imposes on trading partners or tariffs imposed on the U.S. from trading partners;
- global and domestic government policy changes and the ability or inability to react to rapidly changing economic policies;
- changes in interest rates and credit spreads, including the repricing of interest-earning assets and interest-bearing liabilities;
- our investment portfolio performance, particularly as it relates to cash flow, prepayment rates, and credit performance;
- the impact on markets and asset prices from changes in the Federal Reserve’s policies regarding the purchases of Agency RMBS, Agency CMBS, and U.S. Treasuries;
- actual or anticipated changes in Federal Reserve monetary policy or the monetary policy of other central banks;
- adverse reactions in U.S. financial markets related to actions of foreign central banks or the economic performance of foreign economies, including in particular China, Japan, the European Union, and the United Kingdom;

- the cost and availability of financing, including the future availability of financing due to changes to regulation of, and capital requirements imposed upon, financial institutions;
- the cost and availability of new equity capital;
- changes in our leverage and use of leverage;
- changes to our investment strategy, operating policies, dividend policy, or asset allocations;
- the quality of performance of third-party service providers, including our sole third-party service provider for our critical operations and trade functions;
- the loss or unavailability of our third-party service provider's service and technology that supports critical functions of our business related to our trading and borrowing activities due to outages, interruptions, or other failures;
- the level of defaults by borrowers on loans underlying MBS;
- changes in our industry;
- increased competition;
- changes in government policies or regulations affecting our business;
- changes or volatility in the repurchase agreement financing markets and other credit markets;
- changes to the market for interest rate swaps and other derivative instruments, including changes to margin requirements on derivative instruments;
- uncertainty regarding continued government support of the U.S. financial system and U.S. housing and real estate markets, or to reform the U.S. housing finance system, including the resolution of the conservatorship of Fannie Mae and Freddie Mac;
- the composition of the Board of Governors of the Federal Reserve;
- the political environment in the U.S.;
- systems failures or cybersecurity incidents; and
- exposure to current and future claims and litigation.

Regulation FD Disclosures

We routinely announce material information to investors and the marketplace using filings with the SEC, press releases, public conference calls, presentations, webcasts, and the investor relations page of our website at www.dynexcapital.com/investors and our LinkedIn page. We use these channels for purposes of compliance with Regulation FD and as routine channels for distribution of important information. While not all of the information that we post to the investor relations page of our website or to our LinkedIn page is of a material nature, some information could be deemed to be material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings, and public conference calls and webcasts. The web addresses are included in this Quarterly Report on Form 10-Q as textual references only and the information posted on these channels are not incorporated by reference in this Quarterly Report on Form 10-Q or in any other report or document we file with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to losses resulting from changes in market factors. Our business strategy exposes us to a variety of market risks, including interest rate, spread, prepayment, credit, liquidity, and reinvestment risks. These risks can and do cause fluctuations in our liquidity, comprehensive income and book value

as discussed below.

Interest Rate Risk

Investing in interest-rate sensitive investments such as MBS and TBA securities subjects us to interest rate risk. Interest rate risk results from investing in securities with a fixed coupon or a floating coupon that may not immediately adjust for changes in interest rates. Interest rate risk also results from the mismatch between the duration of our assets versus the duration of our liabilities and hedges. The amount of the impact will depend on the composition of our portfolio, our hedging strategy, the effectiveness of our hedging instruments and the magnitude and duration of the change in interest rates.

We manage interest rate risk within tolerances set by our Board of Directors. We use interest rate hedging instruments to mitigate the impact of changing interest rates on the market value of our assets and on our interest expense from repurchase agreements used to finance our investments. Our hedging methods are based on many factors, including, but not limited to, our estimates regarding future interest rates and expected levels of prepayments of our assets. If prepayments are slower or faster than assumed, the maturity of our investments will also differ from our expectations, which could reduce the effectiveness of our hedging strategies and may cause losses that adversely affect our cash flow. Estimates of prepayment speeds can vary significantly by investor for the same security, and therefore, estimates of security and portfolio duration can vary considerably between market participants.

We continuously monitor market conditions, economic conditions, interest rates, and other market activity and adjust the composition of our investments and hedges throughout any given period. As such, the projections for changes in market value provided below are limited in usefulness because the modeling assumes no changes to the composition of our investment portfolio or hedging instruments as of the dates indicated. Changes in the types of our investments, the returns earned on these investments, future interest rates, credit spreads, the shape of the yield curve, the availability of financing, and/or the mix of our investments and financings, including derivative instruments, may cause actual results to differ significantly from the modeled results shown in the tables below. Therefore, the modeled results shown in the tables below and all related disclosures constitute forward-looking statements.

Management evaluates changes in interest rate curves to manage portfolio interest rate risk and the market value of its investments and common equity. Because interest rates do not typically move in a parallel fashion from period to period (as can be seen by the graph for U.S. Treasury rates in Item 2, "Executive Overview"), the tables below show the projected sensitivity of the market value of our financial instruments and common equity to both parallel and non-parallel shifts in market interest rates.

March 31, 2026

Type of Instrument ⁽¹⁾	Parallel Decrease in Interest Rates of				Parallel Increase in Interest Rates of			
	100 Basis Points		50 Basis Points		50 Basis Points		100 Basis Points	
	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity
RMBS	3.1 %	29.4 %	1.8 %	17.2 %	(2.2)%	(20.8)%	(4.6)%	(43.7)%
CMBS	0.2 %	2.2 %	0.1 %	1.1 %	(0.1)%	(1.0)%	(0.2)%	(2.1)%
CMBS IO	— %	0.1 %	— %	— %	— %	— %	— %	(0.1)%
TBAs	0.3 %	2.8 %	0.2 %	1.6 %	(0.2)%	(1.9)%	(0.4)%	(4.0)%
Interest rate hedges	(4.2)%	(40.2)%	(2.1)%	(19.8)%	2.0 %	19.3 %	4.0 %	38.4 %
Total	(0.6)%	(5.7)%	— %	0.1 %	(0.5)%	(4.6)%	(1.2)%	(11.5)%

December 31, 2025

Type of Instrument ⁽¹⁾	Parallel Decrease in Interest Rates of				Parallel Increase in Interest Rates of			
	100 Basis Points		50 Basis Points		50 Basis Points		100 Basis Points	
	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity	% of Market Value	% of Common Equity
RMBS	2.3 %	19.1 %	1.4 %	11.6 %	(1.8)%	(15.1)%	(3.9)%	(32.3)%
CMBS	0.3 %	2.3 %	0.1 %	1.2 %	(0.1)%	(1.1)%	(0.3)%	(2.2)%
CMBS IO	— %	0.1 %	— %	— %	— %	— %	— %	(0.1)%
TBAs	0.7 %	5.6 %	0.4 %	3.2 %	(0.4)%	(3.7)%	(0.9)%	(7.6)%
Interest rate hedges	(4.4)%	(36.7)%	(2.2)%	(18.2)%	2.2 %	17.8 %	4.3 %	35.7 %
Total	(1.1)%	(9.6)%	(0.3)%	(2.2)%	(0.1)%	(2.1)%	(0.8)%	(6.5)%

Non-Parallel Shifts	Basis Point Change in 2-year UST	Basis Point Change in 10-year UST	March 31, 2026		December 31, 2025	
			% of Market Value ⁽¹⁾	% of Common Equity	% of Market Value ⁽¹⁾	% of Common Equity
Bearish	Steepening	+25	(0.4)%	(3.7)%	(0.2)%	(1.4)%
		+50	(1.1)%	(10.1)%	(0.6)%	(5.3)%
	Flattening	+50	(0.3)%	(2.8)%	(0.2)%	(1.4)%
		+100	(0.7)%	(6.4)%	(0.4)%	(3.4)%
Bullish	Steepening	-50	0.2 %	1.4 %	— %	— %
		-100	0.1 %	1.2 %	(0.2)%	(1.7)%
	Flattening	-25	(0.1)%	(0.7)%	(0.3)%	(2.8)%
		-50	(0.8)%	(7.1)%	(1.3)%	(10.6)%

(1) Includes changes in market value of our investments and derivative instruments, including TBA securities, but excludes changes in market value of our financings which are not carried at fair value on our balance sheet due to their short-term maturities. The projections for market value do not assume any change in credit spreads.

Spread Risk

Spread risk is the risk of loss from an increase in the market spread between the yield on an investment versus its benchmark index. Changes in market spreads represent the market's valuation of the perceived riskiness of an asset relative to risk-free rates. Widening spreads reduce the market value of our investments as market participants require additional yield to hold riskier assets. Market spreads could change based on macroeconomic or systemic factors as well as the factors specific to a particular security, such as prepayment performance or credit performance. Other factors that could impact credit spreads include technical issues, such as supply and demand for a particular type of security, Federal Reserve monetary policy, or other governmental policy change. We do not hedge spread risk given the cost and complexity of hedging credit spreads and, in our opinion, the lack of liquid instruments available to use as hedges.

Fluctuations in spreads typically vary based on the type of investment. Sensitivity to changes in market spreads is derived from models that are dependent on various assumptions, and actual changes in market value in response to changes in market spreads could differ materially from the projected sensitivity if actual conditions differ from these assumptions.

The table below shows the projected sensitivity of the market value of our investments given the indicated change in market spreads as of the dates indicated:

Basis Point Change in Market Spreads	March 31, 2026		December 31, 2025	
	Percentage Change in		Percentage Change in	
	Market Value of Investments ⁽¹⁾	% of Common Equity	Market Value of Investments ⁽¹⁾	% of Common Equity
+20/+50 ⁽²⁾	(1.1)%	(10.1)%	(1.0)%	(8.4)%
+10	(0.5)%	(5.0)%	(0.5)%	(4.2)%
-10	0.5 %	5.0 %	0.5 %	4.2 %
-20/-50 ⁽²⁾	1.1 %	10.1 %	1.0 %	8.4 %

(1) Includes changes in market value of our MBS investments, including TBA securities.

(2) Assumes a 20-basis point shift in Agency and non-Agency RMBS and CMBS and a 50-basis point shift in Agency and non-Agency CMBS IO.

Other Market Risks

In addition to the risks discussed above, we are also subject to prepayment risk, credit risk, liquidity risk, and reinvestment risk. We have not experienced any material changes in these risks during the three months ended March 31, 2026. Please refer to Part I, Item 1A, "Risk Factors," and Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risks," in our 2025 Form 10-K for further discussion.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management evaluated, with the participation of our co-principal executive officers and principal financial officer, the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of the end of the period covered by this report. Based on that evaluation, our co-principal executive officers and principal financial officer concluded that, as of March 31, 2026, our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our co-principal executive officers and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended March 31, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

To the Company's knowledge, there are no pending or threatened legal proceedings, which, in management's opinion, individually or in total, could have a material adverse effect on the Company's results of operations or financial condition.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors discussed in Part I, Item 1A, "Risk Factors" of our 2025 Form 10-K. Risks and uncertainties identified in our forward-looking statements contained in this Quarterly Report on Form 10-Q together with those previously disclosed in the 2025 Form 10-K or those that are presently unforeseen could result in significant adverse effects on our financial condition, results of operations and cash flows. See "Forward-Looking Statements" contained in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q as well as Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The Company's Board of Directors approved a new share repurchase program (the "Program") authorizing the repurchase of up to \$300 million of its common stock and up to \$50 million of its preferred stock, including any series thereof currently or hereafter authorized. Under the Program, repurchases may be made from time to time through open market transactions, privately negotiated transactions, or other means, including, without limitation, trading plans adopted in accordance with Rule 10b5-1 under the Exchange Act. The actual means and timing of any repurchases under the Program will depend on a variety of factors, including, without limitation, the market prices of its common Stock and preferred stock, as applicable, general market and economic conditions, and applicable legal and regulatory requirements. The Program is authorized through April 30, 2028, and replaces the Company's prior repurchase program, which was set to expire on April 30, 2026. The Program does not require the Company to purchase any shares and may be modified, suspended, or terminated by the Board at any time.

The Company did not repurchase any shares of its common stock or Series C Preferred Stock during the three months ended March 31, 2026. Employees forfeited 168,758 common shares to cover payroll tax withholding on share-based compensation that vested during the three months ended March 31, 2026.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plan

During the three months ended March 31, 2026, none of the Company's directors or Section 16 officers adopted or terminated any "Rule 10b5-1 trading arrangements" or any "non-Rule 10b5-1 trading arrangements" (in each case, as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Articles of Incorporation, effective May 14, 2021 (incorporated herein by reference to Exhibit 3.1 to Dynex's Current Report on Form 8-K filed May 18, 2021).
3.1.1	Second Articles of Amendment to the Restated Articles of Incorporation, effective as of May 21, 2025 (incorporated herein by reference to Exhibit 3.1.1 to Dynex's Current Report on Form 8-K filed May 21, 2025).
3.2	Amended and Restated Bylaws, effective as of May 11, 2021 (incorporated herein by reference to Exhibit 3.2 to Dynex's Current Report on Form 8-K filed May 12, 2021).
4.1	Specimen of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to Dynex's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
4.2	Specimen of 6.900% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate (incorporated herein by reference to Exhibit 4.4 to Dynex's Registration Statement on Form 8-A12B filed February 18, 2020).
4.3	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (incorporated herein by reference to Exhibit 4.3 to Dynex's Annual Report on Form 10-K for the year ended December 31, 2024).
10.1	Separation Agreement and General Release between Dynex Capital, Inc. and Robert S. Colligan, executed as of March 22, 2026 (filed herewith).
10.2	Performance Unit Award Agreement for award granted March 4, 2026 under the Company's 2025 Stock and Incentive Plan between Dynex Capital, Inc. and Robert S. Colligan (filed herewith).
10.3	Restricted Stock Unit Award Agreement for award granted March 4, 2026 under the Company's 2025 Stock and Incentive Plan between Dynex Capital, Inc. and Michael A. Sartori (filed herewith).
31.1	Certification of co-principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of co-principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.3	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of co-principal executive officers and principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101	The following materials from Dynex Capital, Inc.'s Quarterly Report on Form 10-Q for the three months ended March 31, 2026, formatted in iXBRL (Inline Extensible Business Reporting Language), filed herewith: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Statements of Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Consolidated Financial Statements.
104	The cover page from Dynex Capital, Inc.'s Quarterly Report on Form 10-Q for the three months ended March 31, 2026, formatted in iXBRL (Inline Extensible Business Reporting Language) (included with Exhibit 101).

* Denotes a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DYNEX CAPITAL, INC.

Date: April 27, 2026

/s/ Michael A. Sartori
Michael A. Sartori
Chief Financial Officer
(Principal Financial Officer)

SEPARATION AGREEMENT AND GENERAL RELEASE

This **SEPARATION AGREEMENT AND GENERAL RELEASE** (“**Agreement**”) is made between Dynex Capital, Inc., a Virginia corporation (“**Dynex**”), and Robert S. Colligan (the “**Executive**”) and sets forth the terms of the Executive’s separation from employment with Dynex, and any and all of Dynex’s subsidiaries and affiliates (collectively, the “**Company**”). This Agreement will become effective upon the “**Effective Date**” as specified in Section 13 below. Once effective, this Agreement will be a legally binding document, representing the entire agreement between the Executive and the Company regarding the subjects it covers. Throughout this Agreement, the term the “**Company**” includes all of the Company’s affiliates and related entities, and their current and former trustees, officers, agents, employees, insurers and attorneys, and all employee benefit plans and arrangements and their administrators, trustees and other fiduciaries, and all successors and assigns of all of the foregoing.

WHEREAS, the Executive is currently serving as the Company’s Chief Financial Officer pursuant to the terms and conditions of that certain Employment Agreement by and between the Company and the Executive, dated July 19, 2024 (the “**Employment Agreement**”); and

WHEREAS, it is anticipated that the Executive’s employment with the Company will be terminated without Cause (as described in the Employment Agreement), and the Executive will be eligible to receive the benefits described in this Agreement; and

WHEREAS, in order to permit an orderly separation and transfer of duties to his successor, the Company and the Executive desire to establish the terms and conditions of the Executive’s separation from employment as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Separation from Employment**. The Executive’s employment with the Company will terminate on April 1, 2026, or such earlier date as described herein (the “**Separation Date**”). Effective as of February 26, 2026, the Executive will cease to serve as Chief Financial Officer and any other positions as officer or director of the Company and its subsidiaries and affiliates. From February 26, 2026 to the Separation Date (the “**Transition Period**”), the Executive will serve as Special Advisor to the Chairman of the Board and Co-Chief Executive Officer and the Co-Chief Executive Officer and President (the “**Co-CEOs**”) and will provide transition services as reasonably requested by the Co-CEOs, which includes without limitation the transition services described on the attached Exhibit A, to ensure an orderly transition of his responsibilities. While employed during the Transition Period, the Executive shall continue to receive his base salary and participate in employee benefit plans at his current elections. The Separation Date may be earlier than May 1, 2026 if the parties mutually agree to an earlier Separation Date or if the Executive fails to comply with the terms of this Agreement and the Company terminates the Executive’s employment on account of such failure.

2. **Termination of Employment**. The Executive’s employment shall terminate as of the Separation Date. The provisions of Section 4(c) (Clawback), Section 8 (Code Section 409A Compliance), Section 9 (Restrictive Covenants), Section 10 (Work Product), Section 11 (Return of Company Property), Section 12 (Compliance with Company Policies), Section 13 (Injunctive Relief with respect to Covenants; Forum, Venue and Jurisdiction), Section 15 (Indemnification and Insurance), Section 17 (Termination of this

Agreement and Survival of Certain Provisions), and Section 18 (Miscellaneous) of the Employment Agreement shall continue in effect according to their terms regardless of whether Executive executes this Agreement or not.

3. Consideration and Post-Transition Benefits and Payments.

(a) Eligibility. Provided that the Executive: (i) provides appropriate transition services in good standing during the Transition Period and separates from employment on the Separation Date, (ii) signs and does not revoke this Agreement, including the waiver and release of claims in favor of the Company and restrictive covenants contained in it, within 21 days of receiving this Agreement; (iii) again signs and does not revoke this Agreement within five business days after the Separation Date; and (iv) remains in compliance with the terms of this Agreement, the Company agrees to provide the Executive with the payments and benefits set forth in Section 3(b) below. In the event that the Company contends that the Executive has not provided transition services in good standing during the Transition Period, the Executive shall be provided notice of the specific issues involved and a period of 15 days to cure. If the Company terminates the Executive's transition services other than due to material breach of (i)-(iv) above or termination of services for Cause under his Employment Agreement, such termination shall not obviate the Company's obligation to provide the payments and benefits set forth in Section 3(b) below.

(b) Consideration. Subject to satisfying the eligibility criteria in Section 3(a) above, the Company agrees to pay to the Executive the amounts set forth below (such payments and benefits, collectively the "**Separation Benefits**"):

(i) An amount equal to (1) \$560,000, which is the Executive's base salary on the day prior to the Separation Date, plus (2) \$1,738,128, which is the Executive's Annual Incentive Award (as defined in the Employment Agreement) paid for the 2025 year, payable within 30 days following the Separation Date. For the avoidance of doubt, no payment will be made to the Executive in respect of any 2026 Annual Incentive Award.

(ii) Restricted stock unit awards ("**RSUs**") and performance stock units ("**PSUs**") which are outstanding and unvested as of the Separation Date shall vest and be paid as set forth on Exhibit B.

(iii) \$31,709.76, which is equal to the monthly cost of COBRA (as defined below) coverage under the Company's medical and dental plans and the monthly cost of life insurance and disability policies in which the Executive and the Executive's dependents were covered on the day prior to the Separation Date for the 12-month period following the Separation Date, payable within 30 days following the Separation Date.

(iv) Notwithstanding any other provisions of this Agreement, no amounts or benefits, other than the Accrued Obligations (as defined below), shall be payable to the Executive, and Executive shall forfeit all rights under this Agreement unless the Executive signs once upon receipt of this Agreement and again within five business days following the Separation Date and does not revoke the release of claims in favor of the Company in accordance with Section 12 below. In addition, notwithstanding any other provisions of this Agreement, no amounts or benefits, other than the Accrued Obligations, shall be payable to the Executive, and the Executive shall forfeit all rights under this Agreement, if the Company discovers actions of the Executive that constitute Cause under the Employment Agreement. To the extent the Separation Benefits, other than the Accrued Obligations, have been paid and the release requirement is not met or Cause is discovered, then any such amounts or

benefits previously paid shall be forfeited and the Executive shall repay such forfeited amounts or benefits to the Company within 30 days following demand by the Company.

(v) Section 9(b)(ii) of the Employment Agreement shall be amended and restated as follows: “(ii) The Executive further agrees that during the Employment Period and for a period of six (6) months following any cessation of his employment for any reason, the Executive shall not, directly or indirectly, render services within the “Restricted Territory” as an employee, owner, consultant or in any capacity that are the same as or substantially similar to the services provided by the Executive for the Company during the 12 months preceding the cessation of the Executive’s employment, on behalf of any person or entity that engages in a business that is the same as or substantially similar to, and competitive with, the business of Dynex at the time the Executive’s employment ceases. The Executive shall be permitted to hold a ten percent (10%) or less interest in the equity or debt securities of any publicly traded company. The “**Restricted Territory**” shall mean the continental United States of America.”

(vi) The Executive agrees that any additional compensation to be paid under this Agreement is due solely from the Company and that Insperty PEO Services, L.P. (“**Insperty**”) has no obligation to pay the additional compensation, even though its payment may be processed through Insperty.

(c) Accrued Obligations. Regardless of whether the Executive signs this Agreement or when or why the Executive’s employment with the Company terminates, the Company will provide the Executive with any earned but unpaid base salary through the Separation Date, any earned but unpaid 2025 Annual Incentive Award, reimbursement for any outstanding expenses for which the Executive has not been reimbursed and which are timely submitted and authorized, and any accrued but unused vacation (“**Accrued Obligations**”).

(d) Benefits Termination. For purposes of any benefits provided under any Company benefits plan, the Executive’s employment will terminate on the Separation Date. If there are any discrepancies between this Agreement and the applicable benefit plan documents, the applicable plan documents will govern. The Company reserves the right, in its sole discretion, to change or discontinue its benefit plans at any time, with or without prior notice, except to the extent inconsistent with the terms of such plans or applicable law.

4. Release. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Executive hereby irrevocably and unconditionally releases, acquits, and forever discharges the Company, Insperty, and each of their agents, directors, members, affiliated entities, officers, employees, former employees, attorneys, and all persons acting by, through, under or in concert with any of them (collectively “**Releasees**”), from any and all charges, complaints, claims, liabilities, grievances, obligations, promises, agreements, controversies, damages, policies, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any rights arising out of alleged violations or breaches of any contracts, express or implied, or any tort, or any legal restrictions on the Company’s right to terminate employees, or any federal, state or other governmental statute, regulation, law or ordinance, including without limitation Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991; the Americans with Disabilities Act; 42 U.S.C. § 1981; the federal Age Discrimination in Employment Act (age discrimination); the Older Workers Benefit Protection Act; the Equal Pay Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; Virginia Human Rights Act, including age and sexual harassment claims; Virginians with Disabilities Act; Virginia Equal Pay Act; Virginia Genetic Testing Law; Virginia Right-to-Work Law; Virginia Equal Pay Law; Virginia Occupational Safety and Health Act; Virginia Fraud Against Taxpayers Act; Connecticut Fair

Employment Practices Act, including age and sexual harassment claims; Connecticut Human Rights and Opportunities Act, including age and sexual harassment claims, Connecticut Family and Medical Leave Law; Connecticut General Statute Paid Sick Leave; Connecticut Whistleblower Law; Connecticut Free Speech Law; Connecticut WARN Law; Connecticut Human Rights and Opportunities Act; Connecticut Minimum Wage and Overtime Law; Connecticut Equal Pay Law; the anti-retaliation provision of the Connecticut Workers' Compensation Act; and Connecticut Maximum Hours and Overtime Law, as amended ("Claim" or "Claims"), which the Executive now has, owns or holds, or claims to have, own or hold, or which the Executive at any time heretofore had owned or held, or claimed to have owned or held, against each or any of the Releasees at any time up to and including the date of the execution of this Release.

The Executive hereby acknowledges and agrees that the execution of this Release and the cessation of Executive's employment and all actions taken in connection therewith are in compliance with the federal Age Discrimination in Employment Act and the Older Workers Benefit Protection Act and that the releases set forth above shall be applicable, without limitation, to any claims brought under these Acts.

Notwithstanding the foregoing, the Executive does not release, acquit, discharge or waive, and Claims shall not include:

- (a) Any rights, Claims, or protections that the Executive may have under this Agreement;
- (b) Any rights, Claims, and protections based on any cause, matter, thing, or event arising or occurring at any time after Executive signs this Agreement; provided, however, for the avoidance of doubt, any rights, Claims, and protections arising from the period between the first signing and second signing of this Agreement, as contemplated in Section 12 hereof, shall be released, acquitted, discharged, and/or waived consistent with the terms and conditions herein if Executive signs the Agreement for the second time within five business days after the Separation Date (and does not revoke it);
- (c) Executive's rights, Claims, and protections, if any, to vested or guaranteed benefits under the Company's qualified and non-qualified benefit plans, including, without limitation, the Stock Awards and all other vested retirement, health and welfare, executive compensation, deferred compensation, and stock grant or option plans;
- (d) Any rights, Claims, or protections Executive may have under the applicable terms of such policy or plan to convert the Executive's existing coverage under any group life, disability, and/or accidental death and dismemberment plan offered by the Company;
- (e) Any rights, Claims, or protections Executive may have to continuation of group health, dental, or vision insurance as provided by the Consolidated Omnibus Budget Reconciliation Act of 1985, ("COBRA"), as amended by the Health Insurance Portability and Accountability Act of 1996 and the American Recovery and Reinvestment Act of 2009;
- (f) Any Claims for unemployment or workers' compensation benefits, or any medical claim incurred during the Executive's employment that is payable under applicable medical plans or a Company-insured liability plan;
- (g) Any rights, Claims, or protections the Executive has, had, or may have under Article V, Indemnification, of the *Restated Articles of Incorporation of Dynex Capital, Inc.* (as amended and current

as of the Separation Date, the “**Articles of Incorporation**”), including the indemnification and advancement provisions contained therein, in effect as of the Effective Date of this Agreement;

(h) Any rights, Claims, or protections the Executive has, had, or may have under any policy or contract of indemnification, liability or other type of insurance from and/or against any Claims asserted, liability incurred, or proceeding initiated or maintained against the Executive arising from, related or pertaining to, or serving as its basis or their bases, the Executive’s capacity as an employee or officer of the Company or his alleged acts, omissions, or inaction in such capacity, the foregoing being without regard to whether the Company has, had, or may have the power or obligation to indemnify Executive or provide advancements against such liability under Article V of the Articles of Incorporation; and

(i) Any rights, Claims or protections that the Executive, by law, is prohibited from releasing under this Agreement.

5. Affirmation of Indemnification Obligations.

(a) Notwithstanding any provision of this Agreement to the contrary, the Company reaffirms (i) its obligations to the Executive under Article V of the Company’s Articles of Incorporation, including the indemnification and advancement provisions contained therein, and (ii) the Executive’s rights to indemnification and defense under the Company’s Articles of Incorporation and bylaws, as amended, and under the Company’s directors and officers insurance with respect to (A) the Executive’s service as an employee or officer of the Company, or (B) the Executive’s service at the request of the Company as an employee, officer, director, manager, shareholder, partner, member, or other representative capacity of another entity or enterprise affiliated, or previously affiliated, with the Company or any of its subsidiaries (collectively, “**Affiliated Entities**”).

(b) As of the date of this Agreement, the Company represents that to its knowledge, neither of the Company’s Co-Chief Executive Officers are aware of any actions, omissions, or inaction by the Executive that (i) would reasonably be expected to negate the Executive’s rights to (1) indemnification and advancements under the Articles of Incorporation, or (2) indemnification, defense, or coverage under the Company’s directors and officers insurance, and (ii) could give rise to any Claims by the Company or the other Releasees against the Executive.

(c) As of the date of this Agreement and its second execution, the Executive represents that, to his knowledge, there are no suits, actions, proceedings (including, without limitation, arbitral and administrative proceedings), claims or governmental investigations or audits pending or threatened against the Company, any subsidiary, or any Affiliated Entities, or their respective properties, assets or business (or, to the knowledge of the Executive, pending or threatened against, relating to or involving any of the officers, directors, employees or agents of the Company, any subsidiary, or any Affiliated Entities in connection with the business of the Company, any subsidiary, or any Affiliated Entities).

6. Continuing Obligations. The Executive acknowledges that he remains bound by, and will comply with, any restrictive covenant agreements by and between the Company and the Executive, including as provided for in Section 9 (Restrictive Covenants) of the Employment Agreement. In addition, the Executive acknowledges and recommitts to the commitments in subsections 6(a), (b)(i) and (c) below, and the Company agrees to the commitment in subsection 6(b)(ii) below:

(a) Duty of Cooperation. The Executive agrees that he will cooperate and assist the Company and its representatives after the Separation Date upon their reasonable request with respect to any matter (including any litigation, investigation, or governmental proceeding) which relates to the Executive's employment with the Company. (Such cooperation and assistance with respect to such litigation, investigation, or governmental proceeding is referred to as "**Proceeding Support**.") This cooperation may include appearing from time-to-time for conferences and interviews at mutually agreeable times and providing the officers of the Company and its representatives with the full benefit of the Executive's knowledge with respect to any such matter; *provided, however*; that any such requests for cooperation shall not unreasonably interfere with the Executive's personal life or professional responsibilities as an employee of another employer or as a director or officer of another entity. The Company agrees to reimburse the Executive for any documented, reasonable out-of-pocket expenses incurred by the Executive in connection with such cooperation and mutually agreed upon in advance by the Executive and the Company. In the event that the Company seeks services from Executive other than Proceeding Support, the Company shall pay the Executive at a rate mutually agreed upon in advance for the Executive's provision of any such services.

(b) Non-Disparagement.

(i) The Executive agrees that both during the Transition Period and after the Separation Date, to the extent permitted by law and Section 8 below, the Executive will not, in public or private, whether orally, in writing, online (including, without limitation, on any social media, networking, or employer review site) or otherwise, make any remarks or comments to any person or entity regarding the Company or any of the other Releasees, that are false, disparaging, derogatory or defamatory about the Company or the Releasees. This non-disparagement obligation shall not prohibit the Executive from testifying truthfully in any legal proceeding or engaging in any conduct expressly permitted in Section 8.

(ii) The Chair of the Board of Directors of the Company (the "**Board**") shall direct the members of the Board and the executive officers of the Company, to the extent permitted by law, not to, in public or private, whether orally, in writing, online (including, without limitation, on any social media, networking, or employer review site) or otherwise, make any remarks or comments to any person or entity regarding the Executive that are false, disparaging, derogatory or defamatory about the Executive.

(c) Remedies. In the event of a breach or threatened breach by the Executive of this Agreement or ongoing covenants and provisions set forth in the Employment Agreement, the Executive hereby consents and agrees that money damages would not afford an adequate remedy and that Company shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief.

7. Return of Records and Equipment. On or by the Separation Date, the Executive will return the Company's property pursuant to Section 11 (Return of Company Property) of the Employment Agreement.

8. Reports to Government Entities. Nothing in this Agreement, including the Release clauses, restricts or prohibits the Executive from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including without limitation the Securities and

Exchange Commission, the Department of Justice, Equal Employment Opportunity Commission, any other self-regulatory organization or any other governmental, law enforcement, or regulatory authority or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Executive is not required to advise or seek permission from the Company before engaging in any such activity. Further, nothing in this Agreement shall prohibit any person from making truthful statements when required by law or order of a court or other body having jurisdiction or in conjunction with legal proceedings. Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. Despite the foregoing, the Executive is not permitted to reveal to any third-party, including any governmental, law enforcement, or regulatory authority, information that the Executive came to learn during the course of the Executive's employment with the Company that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege, attorney work product doctrine, and/or other applicable legal privileges. The Company does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information. The Executive is waiving his right to receive any individual monetary relief from the Company or any others covered by the Release set forth in Section 4 resulting from such claims, regardless of whether the Executive or another party has filed them, and in the event the Executive obtains such monetary relief, the Company will be entitled to an offset for the payments made pursuant to this Agreement, except where such limitations are prohibited as a matter of law. This Agreement does not impact the Executive's ability to receive and retain an award from a government administered whistleblower award program for providing information directly to a government agency.

9. No Other Amounts Due. The Executive acknowledges that, as of the Effective Date, the Company has paid the Executive all wages, salaries, bonuses, benefits and other amounts earned and accrued, less applicable deductions through the Effective Date, and that the Company has no obligation to pay any additional amounts, other than the payments and benefits described herein. The Executive further acknowledges that the payments and benefits provided under this Agreement fully satisfy the Company's obligations to provide benefits under any severance plan or arrangement maintained by the Company or any other Company benefit plan which could provide severance or other similar benefits.

10. Notices. Notices and all other communications provided for in this Agreement shall be delivered pursuant to Section 18(f) (Notices) of the Employment Agreement.

11. Medicare Disclaimer. The Executive represents that he is not a Medicare Beneficiary as of the Effective Date. To the extent that the Executive is a Medicare Beneficiary, the Executive agrees to notify the Company in accordance with the notice provisions set forth in Section 10 above.

12. Acknowledgement of Voluntariness and Time to Review. The Executive acknowledges that:

(a) The Executive has read this Agreement and understands it;

(b) The Executive is signing this Agreement voluntarily in order to release his claims against the Company in exchange for the Separation Benefits, which, in the aggregate, are greater than the Executive would have otherwise received;

(c) The Executive is signing this Agreement twice: the first time, within 21 days of receiving it; and the second time, upon or within five business days after the Separation Date;

- (d) The Executive was offered at least 21 days to consider his choice to sign this Agreement on the initial signature;
- (e) The Company has advised the Executive to consult with an attorney;
- (f) The Executive knows that he can revoke this Agreement within seven days of signing it and that the Agreement does not become effective until that seven-day period has passed;
- (g) If the Executive signs and does not revoke this Agreement within 21 days of receiving it, and then the Executive does not again sign the Agreement within five business days after the Separation Date (or the Executive revokes it), the Company will not be obligated to pay the Separation Benefits, as set forth herein;
- (h) To revoke this Agreement, the Executive agrees to notify the Company in accordance with the notice provisions set forth in Section 10 above;
- (i) The Executive agrees that changes to this Agreement before its execution, whether material or immaterial, do not restart his time to review the Agreement; and
- (j) The Executive acknowledges that nothing in this Agreement is an admission of any wrongdoing, liability, or unlawful activity by the Executive or by the Company.

13. Effective Date.

(a) Effective Date. This Agreement will become effective and enforceable upon the expiration of the seven-day revocation period provided for in Section 12(f) above with respect to the Executive's first signing of this Agreement (the "**Effective Date**"). If the Executive fails to return an executed original to the Company in accordance with the notice provisions set forth in Section 10 above within 21 days after he receives this Agreement, then this Agreement, including but not limited to the obligation of the Company to provide the Separation Benefits, shall be deemed automatically null and void.

(b) Revocation Period. When the Executive signs this Agreement the first time, the Agreement becomes effective immediately after the seven-day revocation period following that signature, if the Executive does not revoke the Agreement. When the Executive signs this Agreement the second time, the Executive's second signature becomes effective immediately after the seven-day revocation period following that second signature, if he does not revoke the Agreement. For the avoidance of doubt, if the Executive signs and does not revoke this Agreement the first time but does not sign this Agreement again within five business days after the Separation Date (or revokes this Agreement thereafter), this Agreement shall remain in effect, but no Separation Benefits shall be provided to the Executive.

14. Section 409A. Each of the Company and the Executive acknowledge and agree that the provisions of Section 8 (Code Section 409A Compliance) of the Employment Agreement shall be applied to and be part of this Agreement and are hereby incorporated by this reference.

15. Tax Withholding. All payments under this Agreement are subject to applicable tax withholding.

16. Entire Agreement. This Agreement contains the full agreement between the Executive and the Company and completely supersedes any prior written or oral agreements or representations concerning

the subject matter thereof, including without limitation the Employment Agreement (except for such provisions of the Employment Agreement specifically described herein to continue in effect) and the terms of the Stock Awards referenced in Section 3(b)(iii). Any oral representation or modification concerning this Agreement shall be of no force or effect.

17. Assignment of Agreement. This Agreement may not be assigned by the Executive without the express written consent of the Company. This Agreement shall inure to the benefit of, and be binding on, the Company's successors and assigns provided such party assumes the obligations and duties under the Agreement.

18. Severability. In the event a court or other entity with jurisdiction determines that any portion of this Agreement (other than the general release clause) is invalid or unenforceable, the remaining portions of the Agreement shall remain in full force and effect.

19. Governing Law. This Agreement shall be governed by and construed according to the laws of the Commonwealth of Virginia, without reference to that jurisdiction's choice of law rules. The Parties consent to personal jurisdiction before the Circuit Court for Henrico County, Virginia and the United States District Court for the Eastern District of Virginia, Richmond Division, to the exclusion of all other courts, for any lawsuit filed by the Parties arising from or related to this Agreement or its application.

20. Signature. If the Executive chooses to accept this Agreement, please sign the Agreement, and return this Agreement to the Company in accordance with the notice provisions set forth in Section 10 above, no later than 21 days after the Executive's receipt of this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

DYNEX CAPITAL, INC.

By: _____
Byron L. Boston, Chairman of the Board and Co-Chief Executive Officer
Date: _____

By: _____
Smriti L. Popenoe, Co-Chief Executive Officer and President
Date: _____

EXECUTIVE

Robert S. Colligan

Date: _____

TO BE SIGNED WITHIN FIVE BUSINESS DAYS AFTER THE SEPARATION DATE:

I hereby reaffirm the terms of the Agreement. I agree to all terms of the Agreement as of the date of this signature.

EXECUTIVE

Robert S. Colligan

Date: _____

Exhibit A
Transition Responsibilities

Transition of Relationships, Responsibilities and Company Property

As reasonably requested by the Co-CEOs, the Executive will:

Participate in calls with representatives of firms with which the Executive worked in connection with his responsibilities to the Company, to facilitate a smooth transition.

Respond to questions from the Company, and participate in calls, about matters with respect to which the Executive worked while at the Company.

Provide all Company property as required by Section 7 of the Agreement, including all Company-related information specifically requested by the Co-CEOs.

Exhibit B

Outstanding Stock Awards

The table below shows each of the outstanding RSUs and PSUs held by the Executive as of the Separation Date. Such awards will vest as described below and be paid in accordance with the terms of the applicable award agreement.

PSUs		RSUs	
Grant Date	Target Share Number	Grant Date	Target Share Number*
03/08/24	61,476**	03/08/24	13,934
05/28/25	68,394**	05/28/25	30,549
03/04/26	60,129***	03/04/26	40,086

* Any unvested RSUs will fully vest as of the Separation Date, as described in the applicable award agreement.

** Amount vesting will be subject to attainment of performance goals before the Separation Date, as described in the applicable award agreement.

*** Amount vesting will be prorated and subject to attainment of performance goals as of the end of performance period and other applicable terms, as described in the Employment Agreement.

DYNEX CAPITAL, INC.

2025 STOCK AND INCENTIVE PLAN

PERFORMANCE UNIT AWARD

This Performance Unit Award Agreement (this “**Agreement**”) is made as of March 4, 2026 (the “**Grant Date**”), by Dynex Capital, Inc., a Virginia corporation (the “**Company**”), to Robert S. Colligan, an Employee of the Company (the “**Participant**”).

RECITALS

WHEREAS, the Dynex Capital, Inc. 2025 Stock and Incentive Plan (as may be amended from time to time, the “**Plan**”) permits the grant of Performance Units that vest based on attainment of Performance Goals (as defined below) in accordance with the terms and provisions of the Plan; and

WHEREAS, the Company desires to grant Performance Units to the Participant, and the Participant desires to accept such Performance Units, on the terms and conditions set forth herein and in the Plan; and

WHEREAS, the Performance Units granted pursuant to this Agreement shall vest based on the attainment of Performance Goals related to Total Economic Return (“**TER**”) and continued employment; and

WHEREAS, the applicable provisions of the Plan are incorporated into this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Award of Performance Units**. The Company hereby awards to the Participant 60,129 Performance Units (hereinafter, the “**Target Award**”), subject to the vesting and other conditions of this Agreement, including that the Participant satisfactorily completes the transition services set forth in the Separation Agreement and General Release between the Participant and the Company, dated March 22, 2026 (the “**Separation Agreement**”), as reasonably determined by the Co-Chief Executive Officers in their sole discretion. Payment of the Performance Units will be based on performance against the metrics forth in Schedule A (the “**Performance Goals**”) and, except as otherwise provided herein, continued employment.

2. **Vesting**.

(a) **General Vesting Terms**. The Participant shall vest in a number of Performance Units with respect to the Target Award based on the attainment of the Performance Goals as of the end of the Performance Period (as defined below), *provided* that, except as set forth in Sections 2(b), 2(c) and 2(d), the Participant remains employed by the Company or a Subsidiary through December 31, 2028 (the “**Vesting Date**”). The performance period is the period beginning on January 1, 2026 and ending on December 31, 2028, unless earlier terminated in accordance with Sections 2(b), 2(c), or 2(d) below (the “**Performance Period**”). Except as specifically provided below in this Section 2, no Performance Units will vest for any reason prior to the Vesting Date, and in the event of a termination of the Participant’s employment prior to the Vesting Date, the Participant will forfeit to the Company all Performance Units that have not yet vested as of the termination date.

(b) **Involuntary Termination.**

(i) Except as provided in Section 2(d) below, if the Participant incurs an Involuntary Termination (as defined below) prior to the Vesting Date, then the Participant shall remain eligible to receive a prorated portion of the Performance Units following the Vesting Date, based on the attainment of the Performance Goals as of the end of the Performance Period as described in Schedule A. Such prorated amount of Performance Units shall equal the number of Performance Units that would have vested in accordance with Section 2(a) had the Participant remained employed through the Vesting Date, multiplied by a fraction, the numerator of which is the number of days in the Performance Period that precede the date of termination and the denominator of which is the number of days in the Performance Period.

(ii) For purposes of this Agreement, the term “**Involuntary Termination**” shall mean the Participant’s termination of employment from the Company and its Subsidiaries on account of a termination by the Company or a Subsidiary without Cause, other than on account of death or Disability (as defined below), or the Participant’s termination of employment from the Company and its Subsidiaries on account of a termination by the Participant for Good Reason, in either case, provided the Participant signs and does not revoke a release and waiver of claims in favor of the Company and its Affiliates in a form provided by the Company (a “**Release**”).

(c) **Death or Disability.** If the Participant incurs a termination of employment on account of death or Disability prior to the Vesting Date, then the Participant shall remain eligible to receive a number of Performance Units following the Vesting Date, based on the attainment of the Performance Goals as of the end of the Performance Period as described in Schedule A, *provided* that in the event the termination of employment is on account of Disability, the Participant signs and does not revoke a Release. For purposes of this Agreement, the term “**Disability**” shall have the meaning ascribed to such term in the Participant’s employment agreement with the Company.

(d) **Change of Control.**

(i) If a Change of Control occurs on or before December 31, 2028, the number of Performance Units that may vest shall be determined as of the date of the Change of Control based on performance through the date of the Change of Control, and such Performance Units shall vest if the Participant remains employed through the Vesting Date. For purposes of calculating performance pursuant to this Section 2(d) as of the date of the Change of Control, the last day of the Performance Period shall be the date immediately prior to the Change of Control.

(ii) If the Participant’s employment terminates on account of Involuntary Termination, death or Disability upon or within 24 months following a Change of Control and prior to the Vesting Date, the Participant will immediately vest in the Performance Units calculated as described in Section 2(d)(i) above.

(e) **Cause.** Notwithstanding anything in this Agreement to the contrary, in the event the Participant’s employment is terminated by the Company or a Subsidiary for Cause, including failure to satisfactorily complete the transition services set forth in the Separation Agreement, as reasonably determined by the Co-Chief Executive Officers, all outstanding Performance Units (whether vested or unvested) held by the Participant shall immediately terminate and be of no further force or effect.

(f) **Other Termination.** Except as provided in Sections 2(b), 2(c), and 2(d), in the event of a termination of employment prior to the Vesting Date, the Participant will forfeit all unvested

Performance Units. No Performance Units will vest after the Participant's employment with the Company or a Subsidiary has terminated for any reason.

3. Performance Units Account. The Company shall establish a bookkeeping account on its records for the Participant and shall credit the Participant's Performance Units to the bookkeeping account.

4. Dividend Equivalents. Dividend equivalents shall accrue with respect to the target number of Participant's Performance Units and shall be payable subject to the same vesting terms, vesting percentage and other conditions as the Performance Units to which they relate. Dividend equivalents shall be credited on the Performance Units when dividends are declared on shares of Stock from the Grant Date until the payment date for the vested Performance Units. The Company will keep records of dividend equivalents in a non-interest-bearing bookkeeping account for the Participant. No interest will be credited to any such account. Vested dividend equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related dividend equivalents shall also be forfeited.

5. Conversion of Performance Units.

(a) Except as otherwise provided in this Section 5, if the Performance Units vest in accordance with this Agreement, the Participant shall be entitled to receive payment of the vested Performance Units after the end of the applicable Performance Period by March 15 of the calendar year immediately following the calendar year in which the Vesting Date occurs.

(b) If the Performance Units vest in accordance with Sections 2(d)(ii), the vested Performance Units shall be paid within 60 days after the date of the Participant's termination of employment, subject to the six-month delay described in Section 16 below, if applicable.

(c) On the applicable payment date, each vested Performance Unit credited to the Participant's account shall be settled in whole shares of Stock of the Company equal to the number of vested Performance Units, subject to (i) the limitation of Section 5(d) below, (ii) compliance with the six month delay described in Section 16 below, if applicable, and (iii) the payment of any federal, state and local withholding taxes as described in Section 12 below. The obligation of the Company to distribute shares of Stock shall be subject to the rights of the Company as set forth in the Plan and to all applicable laws, rules, regulations, and such approvals by governmental agencies as may be deemed appropriate by the Committee, including as set forth in Section 14 below.

(d) For the avoidance of doubt, the Participant will forfeit all Performance Units if the Participant's employment is terminated for Cause prior to the payment date under this Section 5.

6. Certain Corporate Changes. In the event of a stock dividend, stock split or combination of shares, spin-off, recapitalization or merger in which the Company is the surviving corporation, or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the Committee shall adjust, as provided in the Plan, the number and class of shares or securities of the Company underlying the Performance Units held by the Participant, the maximum, target and threshold number of shares of Stock for which the Performance Units may vest, the Performance Goals, and the share price or class of Stock for purposes of the Performance Goals, in each case, as appropriate to reflect the effect of such event or change in the Company's capital structure in such a way as to preserve the value of the Performance Units. Any adjustment that occurs under the terms of this

Section 6 or the Plan will not change the timing or form of payment with respect to any Performance Units except in accordance with Code Section 409A.

7. **No Stockholder Rights.** The Participant has no voting rights, no dividend rights, and no other ownership rights and privileges of a stockholder with respect to the shares of Stock subject to the Performance Units, except as provided in Section 4 above with respect to dividend equivalents.

8. **Retention Rights.** Neither the award of Performance Units, nor any other action taken with respect to the Performance Units, shall confer upon the Participant any right to continue in the employ or service of the Company or a Subsidiary or shall interfere in any way with the right of the Company or a Subsidiary to terminate Participant's employment or service at any time.

9. **Amendment; Modification or Substitution.** This award may be amended, modified or substituted by the Committee, in whole or in part, in accordance with Section 15.1 of the Plan.

10. **Notice.** Any notice to the Company provided for in this Agreement shall be addressed to it in care of the Chief Legal Officer of the Company, 140 Eastshore Drive, Suite 100, Glen Allen, VA 23059, and any notice to the Participant shall be addressed to the Participant at the current address shown on the payroll system of the Company or a Subsidiary thereof, or to such other address as the Participant may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail, or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of this Agreement, the Participant hereby consents to the delivery of information (including without limitation, information required to be delivered to the Participant pursuant to the applicable securities laws) regarding the Company, the Plan, and the Performance Units via the Company's electronic mail system or other electronic delivery system.

11. **Incorporation of Plan by Reference.** This Agreement is made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Participant's receipt of the Performance Units awarded under this Agreement constitutes the Participant's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, this Agreement, and/or the Performance Units shall be final and binding on the Participant, the Participant's beneficiaries, and any other person having or claiming an interest in such Performance Units. The settlement of any award with respect to Performance Units is subject to the provisions of the Plan and to interpretations, regulations, and determinations concerning the Plan as established from time to time by the Committee in accordance with the provisions of the Plan. In the event of any inconsistency between this Agreement or the Plan, on the one hand, and any employment agreement or similar service-based agreement with the Participant, on the other hand, the terms of this Agreement or the Plan (as applicable) shall control.

12. **Income Taxes; Withholding Taxes.** The Participant agrees, as a condition of receiving the Performance Units, to pay to the Company or a Subsidiary, as applicable, or make arrangement satisfactory to the Company regarding the payment of, all applicable federal, state and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the Performance Units. The Participant is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the Performance Units pursuant to this Agreement. At the time of taxation, the Company shall have the right to deduct from amounts payable with respect to the Performance Units, including by withholding shares of Stock, an amount equal to the federal (including FICA), state and local income and payroll taxes and other amounts as may be required by law to be withheld with respect to the

Performance Units. Without limiting the foregoing, upon payment of the Performance Units, the Company shall withhold shares subject to the vested Performance Units to cover any of the applicable withholding for related FICA tax and income tax liabilities at the minimum applicable tax rate.

13. Governing Law. The validity, construction, interpretation, and effect of this instrument shall exclusively be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle.

14. Award Subject to Applicable Laws and Company Policies. This Agreement shall be subject to any required approvals by any governmental or regulatory agencies. This award of Performance Units shall be subject to repayment to (*i.e.*, clawback by) the Company or a related entity as determined in good faith by the Committee or the Board in the event repayment is required by the terms of the Company's recoupment, clawback or similar policy as may be in effect from time to time or by applicable federal or state law or regulation or applicable listing standard of any national securities exchange or system on which the Stock is then listed or reported; provided that any such clawback or similar policy that is adopted by the Board after the Grant Date shall have a look-back period of not more than approximately three years, unless, in the opinion of counsel satisfactory to the Participant, required by applicable federal or state law or regulation or applicable listing standard.

15. Assignment. This Agreement shall bind and inure to the benefit of the successors and assignees of the Company. The Participant may not sell, assign, transfer, pledge, or otherwise dispose of the Performance Units, except in the event of the Participant's death.

16. Code Section 409A. This award of Performance Units is intended to be exempt from or comply with the applicable requirements of Code Section 409A and shall be administered in accordance with Code Section 409A. Notwithstanding anything in this Agreement to the contrary, if the Performance Units constitute "deferred compensation" under Code Section 409A and the Performance Units become vested and settled upon the Participant's termination of employment, payment with respect to the Performance Units shall be delayed for a period of six months after the Participant's termination of employment if the Participant is a "specified employee" as defined under Code Section 409A (as determined by the Committee) and if required pursuant to Code Section 409A. If payment is delayed, the shares of Stock of the Company and accrued cash dividend equivalents shall be distributed within 30 days after the date that is the six-month anniversary of the Participant's termination of employment. If the Participant dies during the six-month delay, the shares of Stock and accrued cash dividend equivalents shall be distributed in accordance with the Participant's will or under the applicable laws of descent and distribution. Notwithstanding any provision to the contrary herein, payments made with respect to this award of Performance Units may only be made in a manner and upon an event permitted by Code Section 409A, and all payments to be made upon a termination of employment hereunder may only be made upon a "separation from service" as defined under Code Section 409A, if required pursuant to Code Section 409A. To the extent that any provision of this Agreement would cause a conflict with the requirements of Code Section 409A, or would cause the administration of the Performance Units to fail to satisfy the requirements of Code Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall the Participant, directly or indirectly, designate the calendar year of payment. If the Performance Units constitute "deferred compensation" under Code Section 409A and payment is subject to the execution of a Release, and if such payment could be made in more than one taxable year, payment shall be made in the later taxable year, if required by Code Section 409A. The Company shall have no liability with respect to taxation under Code Section 409A.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute and attest this instrument, and the Participant has placed the Participant's signature hereon, effective as of the Grant Date set forth above.

DYNEX CAPITAL, INC.

By: /s/ Smriti L. Popenoe
Name: Smriti L. Popenoe
Title: Co-Chief Executive Officer and President

By signing below, the Participant (a) acknowledges receipt of the Plan incorporated herein, (b) acknowledges that the Participant has read this Agreement and understands the terms and conditions set forth herein, (c) accepts the award of the Performance Units described in this Agreement, (d) agrees to be bound by the terms of the Plan and this Agreement, and (e) agrees that all decisions and determinations of the Committee with respect to the Performance Units shall be final and binding.

PARTICIPANT:

/s/ Robert S. Colligan
Name: Robert S. Colligan
Date: 3/27/2026

Signature page to Performance Unit Award

DYNEX CAPITAL, INC.
2025 STOCK AND INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD

This Restricted Stock Unit Award Agreement (this “**Agreement**”) is made as of March 4, 2026 (the “**Grant Date**”), by Dynex Capital, Inc., a Virginia corporation (the “**Company**”), to Michael Sartori, an Employee of the Company (the “**Participant**”).

RECITALS

WHEREAS, the Dynex Capital, Inc. 2025 Stock and Incentive Plan (as may be amended from time to time, the “**Plan**”) permits the grant of Restricted Stock Units in accordance with the terms and provisions of the Plan;

WHEREAS, the Company desires to grant Restricted Stock Units to the Participant, and the Participant desires to accept such Restricted Stock Units, on the terms and conditions set forth herein and in the Plan; and

WHEREAS, the applicable provisions of the Plan are incorporated into this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Award of Restricted Stock Units.

The Company hereby awards to the Participant 25,054 Restricted Stock Units (hereinafter, the “**Restricted Stock Units**”), subject to the vesting and other conditions of this Agreement.

2. Vesting.

(a) **General Vesting Terms.** Provided the Participant remains employed by the Company or a Subsidiary through the February 28, 2029 (the “**Vesting Date**”) and meets all applicable requirements set forth in this Agreement, the Restricted Stock Units awarded pursuant to this Agreement shall vest in full as of the Vesting Date, except as set forth in Sections 2(b) and 2(c) below (the period over which the Restricted Stock Units vest is referred to as the “**Period of Restriction**”).

(b) **Involuntary Termination.**

(i) If the Participant terminates employment during the Period of Restriction because of an Involuntary Termination, whether before, on the date of, or after a Change of Control, the Participant’s unvested Restricted Stock Units will automatically vest in full on the date of such termination of employment.

(ii) For purposes of this Agreement, the term “**Involuntary Termination**” shall mean the Participant’s termination of employment from the Company and its Subsidiaries on account of a termination by the Company or a Subsidiary without Cause, other than on account of death or Disability,

provided the Participant signs and does not revoke a release and waiver of claims in favor of the Company and its Affiliates in a form provided by the Company (a “**Release**”).

(c) **Death or Disability.** In the event of the Participant’s death or termination of employment on account of a Disability while employed by the Company or a Subsidiary during the Period of Restriction, the Participant’s unvested Restricted Stock Units will automatically vest in full on the date of the Participant’s death or termination of employment on account of Disability; provided that in the event the termination of employment is on account of Disability, the Participant signs and does not revoke a Release. For purposes of this Agreement, the term “**Disability**” shall have the meaning ascribed to such term in the Plan.

(d) **Other Termination.** Except as provided in Sections 2(b) or 2(c), in the event of a termination of employment, the Participant will forfeit all Restricted Stock Units that do not vest either on or before the termination date. No Restricted Stock Units will vest after the Participant’s employment with the Company or a Subsidiary has terminated for any reason. For clarification purposes, in the event the Participant’s employment is terminated by the Company or a Subsidiary for Cause, the outstanding Restricted Stock Units (whether vested or unvested) held by the Participant shall immediately terminate and be of no further force or effect.

3. Restricted Stock Units Account.

The Company shall establish a bookkeeping account on its records for the Participant and shall credit the Participant’s Restricted Stock Units to the bookkeeping account.

4. Dividend Equivalents.

Dividend equivalents shall accrue with respect to the Participant’s Restricted Stock Units and shall be payable subject to the same vesting terms and other conditions as the Restricted Stock Units to which they relate. Dividend equivalents shall be credited on the Restricted Stock Units when dividends are declared on shares of Stock from the Grant Date until the payment date for the vested Restricted Stock Units. The Company will keep records of dividend equivalents in a non-interest-bearing bookkeeping account for the Participant. No interest will be credited to any such account. Vested dividend equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Restricted Stock Units. If and to the extent that the underlying Restricted Stock Units are forfeited, all related dividend equivalents shall also be forfeited.

5. Conversion of Restricted Stock Units.

(a) Except as otherwise provided in this Section 5, if the Restricted Stock Units vest in accordance with Section 2(a), the Participant shall be entitled to receive payment of the vested Restricted Stock Units within 60 days after the applicable Vesting Date.

(b) If the Restricted Stock Units vest in accordance with Section 2(b) (Involuntary Termination) or Section 2(c) (death or Disability), the Participant shall receive payment of the vested Restricted Stock Units within 60 days after the date of the Participant’s termination of employment on account of Involuntary Termination, death, or Disability, as applicable, subject to the six month delay under Code Section 409A, if applicable, as described in Section 17 below.

(c) On the applicable payment date, each vested Restricted Stock Unit credited to the Participant's account shall be settled in whole shares of Stock of the Company equal to the number of vested Restricted Stock Units, subject to (i) the limitation of Section 5(d) below, (ii) compliance with the six-month delay described in Section 17 below, if applicable, and (iii) the payment of any federal, state and local withholding taxes as described in Section 13 below. The obligation of the Company to distribute shares of Stock shall be subject to the rights of the Company as set forth in the Plan and to all applicable laws, rules, regulations, and such approvals by governmental agencies as may be deemed appropriate by the Committee, including as set forth in Section 15 below.

(d) For the avoidance of doubt, the Participant will forfeit all Restricted Stock Units if the Participant's employment is terminated for Cause prior to the payment date under this Section 5.

6. Certain Corporate Changes.

In the event of a stock dividend, stock split or combination of shares, spin-off, recapitalization or merger in which the Company is the surviving corporation, or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the Committee shall adjust, as provided in the Plan, the number and class of shares or securities of the Company underlying the Restricted Stock Units held by the Participant, the maximum number of shares of Stock for which the Restricted Stock Units may vest, in each case, as appropriate to reflect the effect of such event or change in the Company's capital structure in such a way as to preserve the value of the Restricted Stock Units. Any adjustment that occurs under the terms of this Section 6 or the Plan will not change the timing or form of payment with respect to any Restricted Stock Units except in accordance with Code Section 409A.

7. Restrictive Covenants

(a) Confidentiality and Non-Disclosure Covenant.

(i) The Participant acknowledges and agrees that, during and at all times after the Participant's employment with the Company and its Subsidiaries (collectively, "**Dynex**"), the Participant will have access to and become familiar with or exposed to Confidential Information (as such term is defined below), in particular, trade secrets, proprietary information, and other valuable business information of Dynex pertaining to Dynex's business. The Participant agrees that during and at all times after the Participant's employment with Dynex, except as otherwise permitted below, the Participant shall not, directly or indirectly (A) disclose any Confidential Information to any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), (a "**Person**") (other than, only with respect to the period that the Participant is employed by Dynex, to an employee or outside advisor of Dynex who requires such information to perform such individual's duties for Dynex or to a lender or business counterparty that requires such information to engage in a transaction with Dynex), or (B) use any Confidential Information for the Participant's own benefit or the benefit of any third party. "**Confidential Information**" is Dynex's business information that is not known to the general public or to the investment industry, such as marketing plans, trade secrets, financial information and records, customized software, data repositories, operation methods, personnel information, drawings, designs, information regarding product development, and customer lists. The foregoing obligation shall not apply to any Confidential Information that has been previously disclosed to the public by Dynex or with its permission, is in the public domain (other than by reason of a breach of the Participant's obligations to hold such Confidential Information confidential), or is otherwise legitimately known by the Participant

prior to the Participant's employment with Dynex. Nothing in this Agreement shall prevent the Participant from retaining papers and other materials of a personal nature, such as personal diaries, personal calendars and personal addresses, and information relating to his compensation or relating to reimbursement of expenses, and copies of plans, programs and agreements relating to his employment or benefits. If the Participant is required or requested by a court or governmental agency to disclose Confidential Information, except as otherwise provided below, the Participant must notify the Chief Legal Officer of the Company of such disclosure obligation or request no later than three business days after the Participant learns of such obligation or request, and permit the Company to take all lawful steps it deems appropriate to prevent or limit the required disclosure.

(ii) Nothing in this Agreement restricts or prohibits the Participant or the Participant's counsel from initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before a self-regulatory authority or a governmental, law enforcement or other regulatory authority, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Congress, and any Office of Inspector General (collectively, the "**Regulators**"), from participating in any reporting of, investigation into, or proceeding regarding suspected violations of law, or from making other disclosures that are protected under or from receiving an award for information provided under the whistleblower provisions of state or federal law or regulation. The Participant does not need the prior authorization of the Company to engage in such communications with the Regulators, respond to such inquiries from the Regulators, provide Confidential Information or documents containing Confidential Information to the Regulators, or make any such reports or disclosures to the Regulators. The Participant is not required to notify the Company that the Participant has engaged in such communications with the Regulators. The Participant recognizes and agrees that, in connection with any such activity outlined above, the Participant must inform the Regulators that the information the Participant is providing is confidential.

(iii) Federal law provides certain protections to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances. Specifically, federal law provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret under either of the following conditions:

Where the disclosure is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or

Where the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(b) Non-Competition Covenant. The Participant agrees that during the Participant's employment with Dynex and for a period of one-year following any cessation of the Participant's employment for any reason (the "**Restricted Period**"), the Participant shall not, directly or indirectly, render services within the Restricted Territory (as such term is defined below) as an employee, owner,

consultant or in any capacity that is the same as or substantially similar to the services provided by the Participant for Dynex during the 12 months preceding the cessation of the Participant's employment, on behalf of any person or entity that engages in a business that is the same as or substantially similar to, and competitive with, the business of Dynex at the time the Participant's employment ceases. The foregoing covenant shall not prevent the Participant from holding a 10% or less interest in the equity or debt securities of any publicly traded company. The "**Restricted Territory**" shall mean the continental United States of America.

(c) **Non-Solicitation of Employees.** During the Restricted Period, the Participant shall not, directly or indirectly, or through any third party, whether on the Participant's own behalf or on behalf of any other Person or entity, (i) solicit or induce or endeavor to solicit or induce, divert, employ or retain, (ii) interfere with the relationship of Dynex with, or (iii) attempt to establish a business relationship of a nature that is competitive with the business of Dynex with, any person that is or was (during the last 30 days of the Participant's employment with Dynex) an employee or independent contractor of Dynex with whom the Participant had material contact, supervisory authority, or strategic involvement during the 12 months preceding termination.

(d) **Work Product.** The Participant agrees that all of the Participant's work product (created solely or jointly with others, and including any intellectual property or moral rights in such work product), given, disclosed, created, developed or prepared in connection with the Participant's employment with Dynex ("**Work Product**") shall exclusively vest in and be the sole and exclusive property of Dynex and shall constitute "work made for hire" (as that term is defined under Section 101 of the U.S. Copyright Act, 17 U.S.C. § 101) with Dynex being the person for whom the work was prepared. In the event that any such Work Product is deemed not to be a "work made for hire" or does not vest by operation of law in Dynex, the Participant hereby irrevocably assigns, transfers and conveys to Dynex, exclusively and perpetually, all right, title and interest which the Participant may have or acquire in and to such Work Product throughout the world, including without limitation any copyrights and patents, and the right to secure registrations, renewals, reissues, and extensions thereof. Dynex or its designees shall have the exclusive right to make full and complete use of, and make changes to all Work Product without restrictions or liabilities of any kind, and the Participant shall not have the right to use any such materials, other than within the legitimate scope and purpose of the Participant's employment with Dynex. The Participant shall promptly disclose to Dynex in writing the creation or existence of any Work Product and shall take whatever additional lawful action may be necessary, and sign whatever documents Dynex may require, in order to secure and vest in Dynex or its designee all right, title and interest in and to all Work Product and any intellectual property rights therein (including full cooperation in support of Dynex applications for patents and copyright or trademark registrations).

(e) **Enforcement.** The Participant agrees that the Participant could cause harm to Dynex if the Participant solicited Dynex's employees, lenders, or business away from Dynex, or misappropriated or divulged Dynex's Confidential Information; and that as such, Dynex has legitimate business interests in protecting its goodwill and Confidential Information; and, as such, these legitimate business interests justify the restrictive covenants in this Section 7. The Company and the Participant acknowledge and agree that any breach by the Participant of any of the covenants or agreements contained in this Section 7 will result in irreparable injury to Dynex for which money damages could not adequately compensate such entity. Therefore, Dynex shall have the right (in addition to any other rights and remedies which it may have at law or in equity and in addition to the forfeiture requirements set forth in Section 7(f) below) to seek to enforce this Section 7 and any of its provisions by injunction, specific performance, or other equitable relief, without bond and without prejudice to any other rights and remedies that Dynex may have for a breach, or threatened breach, of the restrictive covenants set forth in this Section 7. The

Participant agrees that in any action in which Dynex seeks injunction, specific performance, or other equitable relief, the Participant will not assert or contend that any of the provisions of this Section 7 are unreasonable or otherwise unenforceable. Unless otherwise prohibited by applicable law, the Participant irrevocably and unconditionally (i) agrees that any legal proceeding arising out of this Agreement shall be brought only in the Eastern District of Virginia, Richmond Division, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Commonwealth of Virginia located in Henrico County, Virginia, (ii) consents to the sole and exclusive jurisdiction and venue of such court in any such proceeding, and (iii) waives any objection to the laying of venue of any such proceeding in any such court. The Participant also irrevocably and unconditionally consents to the service of any process, pleadings, notices, or other papers at the last known address on file and that service shall be complete upon mailing.

(f) Remedies. The Participant acknowledges and agrees that in the event the Participant breaches any of the covenants or agreements contained in this Section 7 or the Participant's employment is terminated by Dynex for Cause, including a determination by the Committee that the Participant has engaged in any activity, at any time, that would be grounds for termination of the Participant's employment for Cause:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Restricted Stock Units (without regard to whether the Restricted Stock Units have vested, except as to the vested shares where forfeiture of vested shares is expressly prohibited by law), and the outstanding Restricted Stock Units shall immediately terminate, and

(ii) The Committee may in its discretion require the Participant to return to the Company any shares of Stock received in settlement of the Restricted Stock Units; provided, that if the Participant has disposed of any shares of Stock received upon settlement of the Restricted Stock Units, then the Committee may require the Participant to pay to the Company, in cash, the Fair Market Value of such shares of Stock as of the date of disposition. The Committee shall exercise the right of recoupment provided in this Section 7(f)(ii) within (A) 180 days after the Committee's discovery of the Participant's breach of any of the covenants or agreements contained in this Section 7, or (B) within 180 days after the later of (A) the Participant's termination of employment by Dynex for Cause, or (B) the Committee's discovery of circumstances that, if known to the Committee, would have been grounds for termination for Cause; provided, however, that this right of recoupment shall not limit the Board's recoupment authority under any applicable clawback or recoupment policy of the Board.

(g) Severability; Survival. Each provision of this Section 7 shall be deemed to be a separate and independent provision. If any portion of the covenants or agreements contained in this Section 7, the specific forfeiture provisions related to vested Restricted Stock Units, or the application thereof, is construed to be invalid or unenforceable, the other portions of such covenants or agreements or the application thereof shall not be affected and shall be given full force and effect without regard to the invalid or unenforceable portions to the fullest extent possible. If any covenant or agreement in this Section 7 is held to be unenforceable because of the duration thereof or the scope thereof, then the court making such determination shall have the power to reduce the duration and limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form. The covenants and agreements contained in this Section 7 shall survive the termination of the Participant's employment with Dynex and shall survive the termination of this Agreement.

(h) Tolling. Notwithstanding the foregoing, should the Participant violate any of the restrictive covenants of this Agreement, then the period of the Participant's breach of such covenant

("Violation Period") shall stop the running of the corresponding Restricted Period. Once the Participant resumes compliance with the restrictive covenant, the Restricted Period applicable to such covenant shall be extended for a period equal to the Violation Period so that Dynex enjoys the full benefit of the Participant's compliance with the restrictive covenant for the duration of the corresponding Restricted Period.

8. No Stockholder Rights.

The Participant has no voting rights, no dividend rights and no other ownership rights and privileges of a stockholder with respect to the shares of Stock subject to the Restricted Stock Units, except as provided in Section 4 with respect to dividend equivalents.

9. Retention Rights.

Neither the award of the Restricted Stock Units, nor any other action taken with respect to the Restricted Stock Units, shall confer upon the Participant any right to continue in the employ or service of the Company or a Subsidiary or shall interfere in any way with the right of the Company or a Subsidiary to terminate Participant's employment or service at any time.

10. Amendment; Modification or Substitution.

This award may be amended, modified or substituted by the Committee, in whole or in part, in accordance with Section 15.1 of the Plan.

11. Notice.

Any notice to the Company provided for in this Agreement shall be addressed to it in care of the Chief Legal Officer of the Company, 140 Eastshore Drive, Suite 100, Glen Allen, VA 23059, and any notice to the Participant shall be addressed to the Participant at the current address shown on the payroll system of the Company or a Subsidiary thereof, or to such other address as the Participant may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail, or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of this Agreement, the Participant hereby consents to the delivery of information (including without limitation, information required to be delivered to the Participant pursuant to the applicable securities laws) regarding the Company, the Plan, and the Restricted Stock Units via the Company's electronic mail system or other electronic delivery system.

12. Incorporation of Plan by Reference.

This Agreement is made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Participant's receipt of the Restricted Stock Units awarded under this Agreement constitutes the Participant's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, this Agreement, and/or the Restricted Stock Units shall be final and binding on the Participant, the Participant's beneficiaries, and any other person having or claiming an interest in such Restricted Stock Units. The settlement of any award with respect to the Restricted Stock Units is subject to the provisions of the Plan and to

interpretations, regulations, and determinations concerning the Plan as established from time to time by the Committee in accordance with the provisions of the Plan. In the event of any inconsistency between this Agreement or the Plan, on the one hand, and any employment agreement or similar service-based agreement with the Participant, on the other hand, the terms of this Agreement or the Plan (as applicable) shall control.

13. Income Taxes; Withholding Taxes.

The Participant agrees, as a condition of receiving the Restricted Stock Units, to pay to the Company or a Subsidiary, as applicable, or make arrangement satisfactory to the Company regarding the payment of, all applicable federal, state and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the Restricted Stock Units. The Participant is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the Restricted Stock Units pursuant to this Agreement. At the time of taxation, the Company shall have the right to deduct from amounts payable with respect to the Restricted Stock Units, including by withholding shares of Stock, an amount equal to the federal (including FICA), state and local income and payroll taxes and other amounts as may be required by law to be withheld with respect to the Restricted Stock Units. Without limiting the foregoing, upon payment of the Restricted Stock Units, the Company shall withhold shares subject to the vested Restricted Stock Units to cover any of the applicable withholding for related FICA tax and income tax liabilities at the minimum applicable tax rate.

14. Governing Law.

The validity, construction, interpretation, and effect of this instrument shall exclusively be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Virginia, excluding any conflicts or choice of law rule or principle.

15. Award Subject to Applicable Laws and Company Policies.

This Agreement shall be subject to any required approvals by any governmental or regulatory agencies. This award of Restricted Stock Units shall be subject to repayment to (*i.e.*, clawback by) the Company or a related entity as determined in good faith by the Committee or the Board in the event repayment is required by the terms of the Company's recoupment, clawback or similar policy as may be in effect from time to time or by applicable federal or state law or regulation or applicable listing standard of any national securities exchange or system on which the Stock is then listed or reported; provided that any such clawback or similar policy that is adopted by the Board after the Grant Date shall have a look-back period of not more than approximately three years, unless, in the opinion of counsel satisfactory to the Participant, required by applicable federal or state law or regulation or applicable listing standard.

16. Assignment.

This Agreement shall bind and inure to the benefit of the successors and assignees of the Company. The Participant may not sell, assign, transfer, pledge, or otherwise dispose of the Restricted Stock Units, except in the event of the Participant's death.

17. Code Section 409A.

This award of Restricted Stock Units is intended to be exempt from or comply with the applicable requirements of Code Section 409A and shall be administered in accordance with Code Section 409A.

Notwithstanding anything in this Agreement to the contrary, if the Restricted Stock Units constitute “deferred compensation” under Code Section 409A and the Restricted Stock Units become vested and settled upon the Participant’s termination of employment, payment with respect to the Restricted Stock Units shall be delayed for a period of six months after the Participant’s termination of employment if the Participant is a “specified employee” as defined under Code Section 409A (as determined by the Committee) and if required pursuant to Code Section 409A. If payment is delayed, the shares of Stock of the Company and accrued cash dividend equivalents shall be distributed within 30 days after the date that is the six-month anniversary of the Participant’s termination of employment. If the Participant dies during the six-month delay, the shares of Stock and accrued cash dividend equivalents shall be distributed in accordance with the Participant’s will or under the applicable laws of descent and distribution. Notwithstanding any provision to the contrary herein, payments made with respect to this award of Restricted Stock Units may only be made in a manner and upon an event permitted by Code Section 409A, and all payments to be made upon a termination of employment hereunder may only be made upon a “separation from service” as defined under Code Section 409A, if required pursuant to Code Section 409A. To the extent that any provision of this Agreement would cause a conflict with the requirements of Code Section 409A, or would cause the administration of the Restricted Stock Units to fail to satisfy the requirements of Code Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall the Participant, directly or indirectly, designate the calendar year of payment. If the Restricted Stock Units constitute “deferred compensation” under Code Section 409A and payment is subject to the execution of a Release, and if such payment could be made in more than one taxable year, payment shall be made in the later taxable year, if required by Code Section 409A. The Company shall have no liability with respect to taxation under Code Section 409A.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute and attest this instrument, and the Participant has placed the Participant's signature hereon, effective as of the Grant Date set forth above.

DYNEX CAPITAL, INC.

By: /s/ Smriti L. Popenoe
Name: Smriti L. Popenoe
Title: Co-Chief Executive Officer and President

By signing below, the Participant (a) acknowledges receipt of the Plan incorporated herein, (b) acknowledges that the Participant has read this Agreement and understands the terms and conditions set forth herein, (c) accepts the award of the Restricted Stock Units described in this Agreement, (d) agrees to be bound by the terms of the Plan and this Agreement, and (e) agrees that all decisions and determinations of the Committee with respect to the Restricted Stock Units shall be final and binding.

PARTICIPANT

/s/ Michael Sartori
Name: Michael Sartori
Date: March 10, 2026

Signature Page to Restricted Stock Unit Award

CERTIFICATIONS

I, Byron L. Boston, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dynex Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2026

/s/ Byron L. Boston
Byron L. Boston
Co-Principal Executive Officer

CERTIFICATIONS

I, Smriti L. Popenoe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dynex Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2026

/s/ Smriti L. Popenoe
Smriti L. Popenoe
Co-Principal Executive Officer

CERTIFICATIONS

I, Michael A. Sartori, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dynex Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2026

/s/ Michael A. Sartori
Michael A. Sartori
Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906**

In connection with the Quarterly Report on Form 10-Q of Dynex Capital, Inc. (the "Company") for the three months ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, as the Principal Executive Officers of the Company and the Principal Financial Officer of the Company, respectively, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2026

/s/ Byron L. Boston
Byron L. Boston
Co-Principal Executive Officer

Date: April 27, 2026

/s/ Smriti L. Popenoe
Smriti L. Popenoe
Co-Principal Executive Officer

Date: April 27, 2026

/s/ Michael A. Sartori
Michael A. Sartori
Principal Financial Officer