

IVR

Invesco Mortgage Capital Inc.

The Expertise. The Resources. Each step of the way.



Annual Stockholders' Meeting

May 5, 2020

Presenter: John Anzalone, Chief Executive Officer

Cautionary Notice Regarding Forward-Looking Statements

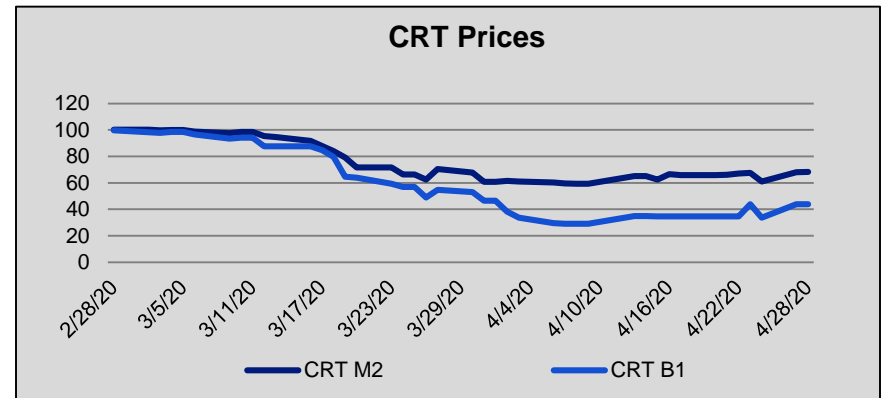
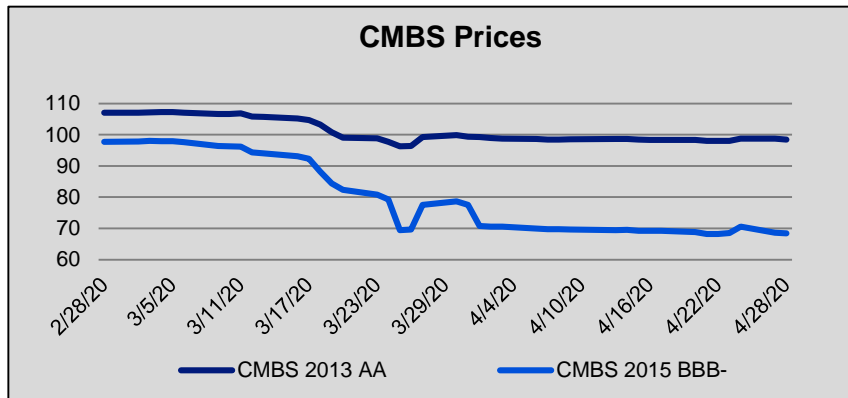
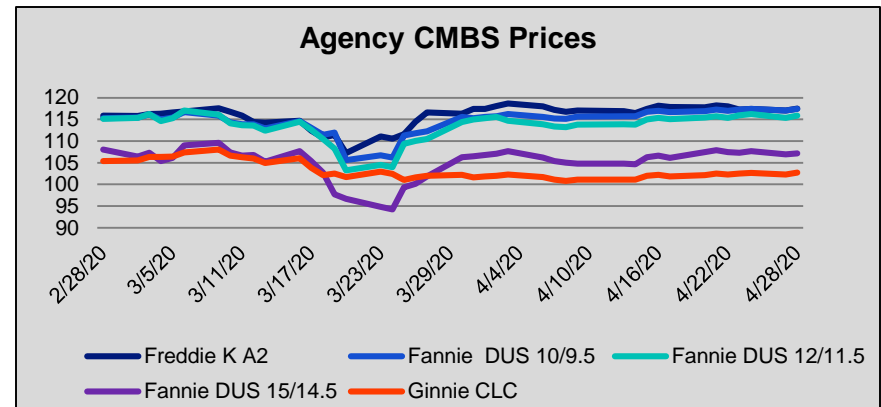
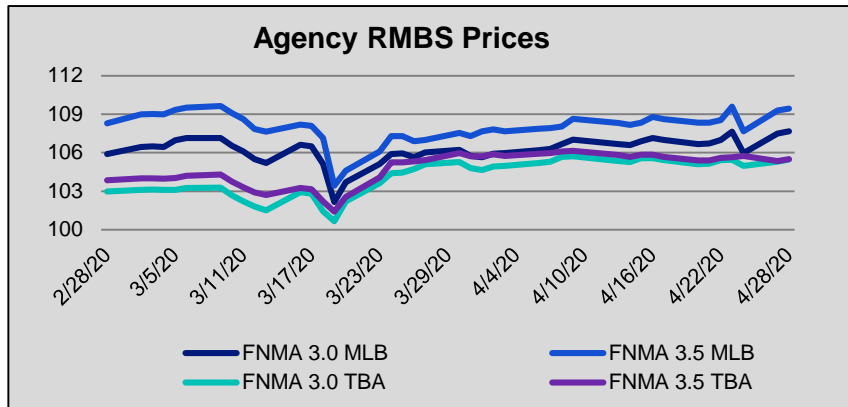
This presentation and comments made in the associated conference call may include statements and information that constitute “forward-looking statements” within the meaning of the U.S. securities laws as defined in the Private Securities Litigation Reform Act of 1995, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements include our views on the risk positioning of our portfolio, domestic and global market conditions (including the residential and commercial real estate market), the market for our target assets, our financial performance, including our core earnings, economic return, comprehensive income and changes in our book value, our ability to continue performance trends, the stability of portfolio yields, interest rates, credit spreads, prepayment trends, financing sources, cost of funds, our leverage and equity allocation. In addition, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks identified under the captions “Risk Factors,” “Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K and quarterly reports on Form 10-Q, which are available on the Securities and Exchange Commission’s website at www.sec.gov.

All written or oral forward-looking statements that we make, or that are attributable to us, are expressly qualified by this cautionary notice. We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

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COVID-19 Impact on Invesco Mortgage Capital



- COVID-19 pandemic resulted in declines in the value of our target assets as well as adverse developments with respect to the cost and terms of financing available.
- On March 23, 2020, we notified financing counterparties we were not in a position to fund margin calls received under financing arrangements and received notification from several financing counterparties of alleged events of default under financing agreements.

Source: Invesco Mortgage Capital public filings, Bloomberg Indices, JPM Markets and other market data.

Counterparty Update



- Certain counterparties sold the securities pledged to secure financing obligations. Various financing counterparties have provided settlement details for the sale of securities pledged to secure financing obligations.
- As of April 14, 2020, we estimate we have received, or have the right to receive, approximately \$196 million of net cash proceeds with respect to sales for which counterparties have provided details.
- IVR has taken various actions in an effort to prudently manage its portfolio. These actions include but are not limited to:
 - Sale of various assets;
 - Reduction of balances under repurchase facilities; and
 - On-going discussions with counterparties.

Portfolio Update as of April 15, 2020



Assets

Investment portfolio of approximately \$2.9 billion (excluding cash)

- ~\$309 million of the investment portfolio is unencumbered
- Cash balance of ~\$756 million, \$523 million of which is restricted

Liabilities

Reduced repurchase agreement obligations to approximately \$1.4 billion and secured loans to approximately \$1.35 billion

Approximately \$196 million due from counterparties for cash posted as collateral for repurchase agreements

Book Value

Book value per diluted common share* is estimated to be in the range of \$2.75 to \$3.75

* Book value per diluted common share is calculated as approximately (i) total equity less the liquidation preference of Series A Preferred Stock (\$140.0 million), Series B Preferred Stock (\$155.0 million) and Series C Preferred Stock (\$287.5 million), divided by (ii) total shares of common stock outstanding of 164,966,357 as of April 15, 2020.

