

MTGE Investment Corp.
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Subject Company: MTGE Investment Corp.

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Annaly Capital Management, Inc. Extends Exchange Offer to Acquire MTGE Investment Corp.

NEW YORK, NEW YORK July 17, 2018 Annaly Capital Management, Inc. (NYSE: NLY) ("Annaly") announced that it has extended its previously announced exchange offer (the "Offer") to purchase all of the outstanding shares of common stock of MTGE Investment Corp. (NASDAQ: MTGE) ("MTGE"). In the Offer, MTGE common stockholders may elect to receive, in exchange for each share of MTGE common stock they hold, (a) \$9.82 in cash and 0.9519 shares of Annaly common stock, (b) \$19.65 in cash (the "all cash election") or (c) 1.9037 shares of Annaly common stock (the "all stock election"). MTGE common stockholders tendering into the Offer and making an all cash election or an all stock election will be subject to proration so that approximately 50% of the aggregate consideration in the Offer will be paid in shares of Annaly common stock, and 50% of the aggregate consideration in the Offer will be paid in cash.

The Offer will now expire at 5:00 p.m., Eastern Time, on August 20, 2018, unless further extended in accordance with the terms of the merger agreement dated May 2, 2018, by and among Annaly, Mountain Merger Sub Corporation and MTGE (as may be amended or supplemented from time to time, the "Merger Agreement"). All other terms and conditions of the Offer remain unchanged.

The Offer has been extended to allow the parties to obtain the remaining regulatory approvals, which are conditions to the completion of the Offer, as set forth in the prospectus/offer to exchange, dated June 4, 2018. The parties currently anticipate receiving these regulatory approvals in the third quarter of 2018. The completion of the Offer remains subject to the satisfaction or waiver of these and other conditions of the Offer.

Computershare Trust Company, N.A., the depositary and exchange agent for the Offer, has advised Annaly that as of 5:00 p.m., Eastern Time on July 16, 2018, approximately 11,655,918 shares of common stock of MTGE have been validly tendered and not validly withdrawn pursuant to the Offer, representing approximately 25.45% of the outstanding shares of common stock of MTGE.

Wells Fargo Securities and Sandler O'Neill + Partners, L.P. are serving as financial advisors to Annaly, and Wachtell, Lipton, Rosen & Katz serves as legal counsel to Annaly.

About Annaly Capital Management, Inc.

Annaly is a leading diversified capital manager that invests in and finances residential and commercial assets. Annaly's principal business objective is to generate net income for distribution to its shareholders and to preserve capital through prudent selection of investments and continuous management of its portfolio. Annaly has elected to be taxed as a real estate investment trust, or REIT, for federal income tax purposes. Annaly is externally managed by Annaly Management Company LLC. Additional information about Annaly can be found at www.annaly.com.

Forward-Looking Statements

This press release includes forward-looking statements. These forward-looking statements generally can be identified by phrases such as *will*, *expects*, *anticipates*, *foresees*, *forecasts*, *estimates* or other words or phrases of similar meaning. Similarly, statements herein that describe the proposed transaction, including its financial and operational impact, and other statements of management's beliefs, intentions or goals also are forward-looking statements. It is uncertain whether any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what impact they will have on the results of operations and financial condition of the combined companies or the price of Annaly or MTGE stock. These forward-looking statements involve certain risks and uncertainties, many of which are beyond the parties' control, that could cause actual results to differ materially from those indicated in such forward-looking statements, including but not limited to the ability of the parties to consummate the proposed transaction on a timely basis or at all and the satisfaction of the conditions precedent to consummation of the proposed transaction, including a majority of outstanding shares of MTGE's common stock being validly tendered in the Offer; that required regulatory approvals for the proposed transaction may not be obtained in a timely manner, if at all; business disruption following completion of the proposed transaction; and the other risks and important factors contained and identified in Annaly's and MTGE's filings with the Securities and Exchange Commission (the "SEC"), including their respective Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, any of which could cause actual results to differ materially from the forward-looking statements. The forward-looking statements included in this Form 8-K are made only as of the date hereof. Neither Annaly nor MTGE undertakes any obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Additional Information and Where to Find It

This press release is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares, nor is it a substitute for the Offer materials that Annaly and its merger subsidiary have filed with the SEC. Annaly and its merger subsidiary have filed a Tender Offer Statement on Schedule TO, Annaly has filed a Registration Statement on Form S-4 and MTGE has filed a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the Offer. **THE OFFER MATERIALS (INCLUDING AN OFFER TO EXCHANGE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT CONTAIN IMPORTANT INFORMATION. MTGE STOCKHOLDERS ARE URGED TO READ THESE DOCUMENTS CAREFULLY BECAUSE THEY CONTAIN IMPORTANT INFORMATION THAT HOLDERS OF MTGE SECURITIES SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING EXCHANGING THEIR SECURITIES.** The Offer to Exchange, the related Letter of Transmittal and certain other Offer documents, as well as the Solicitation/Recommendation Statement, are available to all holders of MTGE common stock at no expense to them. The Offer materials and the Solicitation/Recommendation Statement are available for free at the SEC's website at www.sec.gov. Additional copies may be obtained for free by contacting Annaly's Investor Relations department at 1-888-8Annaly (1-888-826-6259). In addition to the Offer to Exchange, the related Letter of Transmittal and certain other Offer documents, as well as the Solicitation/Recommendation Statement, Annaly and MTGE file annual, quarterly and current reports and other information with the SEC. You may read and copy any reports or other information filed by Annaly and MTGE at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Annaly's and MTGE's filings with the SEC are also available to

the public from commercial document-retrieval services and at the website maintained by the SEC at <http://www.sec.gov>.