



## **BIMINI CAPITAL MANAGEMENT ANNOUNCES FIRST QUARTER 2022 RESULTS**

VERO BEACH, Fla., (May 12, 2022) – Bimini Capital Management, Inc. (OTCQB: BMNM), (“Bimini Capital,” “Bimini,” or the “Company”), today announced results of operations for the three-month period ended March 31, 2022.

### **First Quarter 2022 Highlights**

- Net loss of \$3.5 million, or \$0.33 per common share
- Book value per share of \$2.77
- Company to discuss results on Friday, May 13, 2022, at 10:00 AM ET

### **Management Commentary**

Commenting on the first quarter results, Robert E. Cauley, Chairman and Chief Executive Officer, said, “The first quarter of 2022 was extremely volatile as the Federal Reserve (the “Fed”) pivoted quickly from unprecedented monetary policy accommodation to the rapid removal of the accommodation. The Fed announced their first rate hike of the cycle at their March 2022 meeting of 25 basis points and last week announced another hike, this time of 50 basis points and stated 50 basis point hikes were on the table for the June 2022 and July 2022 meetings as well. Current market pricing in the futures markets implies the Fed will raise the target for the Fed Funds rate to approximately 2.70% by the end of 2022 and to slightly over 3.00% by the second quarter of 2023. The U.S. economy has recovered quickly from the COVID-19 induced downturn with the help of the Fed’s monetary policy and equally unprecedented fiscal stimulus from the government. As the economy recovered rapidly, inflationary pressures emerged including labor, with a sub-4% unemployment rate which continues to fall and wage growth well above 5%. The war in Ukraine has further stimulated inflationary pressures as Russia and Ukraine are leading suppliers of food, energy, and many other commodities. COVID-19 induced shutdowns in China have also increased supply constraints, another source of inflationary pressure. As the second quarter of 2022 unfolds, these trends have intensified, and the Fed has stated their intention to get the policy rate to neutral as quickly as practical. The Fed will also begin their balance sheet reduction commencing in June of 2022.

“Orchid Island Capital reported a first quarter 2022 loss of \$148.7 million and its shareholders equity declined from \$768.1 million to \$592.4 million. The market conditions described above drove the loss as agency MBS underperformed comparable duration treasuries and the Orchid’s hedge positions. The decline in shareholders equity will lead to reduced management fees at Bimini Advisors in the near-term since the management fees are a function of Orchid’s equity. Orchid also reduced its monthly dividend twice during the first quarter from \$0.065 per month to \$0.045 per month. The reductions in the monthly dividend decreased the revenues to the Company on its approximately 2.5 million shares. Orchid, like Bimini, will focus on weathering the current market conditions and looks forward to capitalizing on the attractive returns that historically have become available as markets settle.

“The Agency RMBS portfolio at Royal Palm Capital decreased by 10% during the first quarter of 2022, the combined effect of \$2.8 million of paydowns, return of investment on the structured securities portfolio of \$0.2 million and a net \$3.1 million market to market loss. As the market continues to be impacted by the events described above and MBS assets remain under pressure, we have further reduced our RMBS holdings in order to preserve cash and book value. For the second quarter of 2022 to date, we have sold RMBS assets with a market value at the time of sale of \$23.1 million, realizing a loss of \$0.9 million. The RMBS portfolio has a market value as of April 30, 2022 of approximately \$29.0 million. Our intention is to grow our cash position until we see clear evidence the market has stabilized before redeploying our cash to resume growing the portfolio. We may add to our Orchid share holdings given the stock is trading at attractive levels but do not have unlimited capacity to do so.

“The economic developments that occurred during the first quarter have continued, and in many cases accelerated so far in the second quarter of 2022. Interest rates have risen materially since the end of the quarter and the Fed has started to aggressively remove the emergency accommodation measures put in place in response to the COVID-19 pandemic. In response we have reduced our portfolio, and thus exposure to the current turbulent market conditions in order to build dry powder that can be deployed as the market settles. Market conditions such as these, while challenging, always provide very attractive investment opportunities. The chance to take advantage of these opportunities may require us to wait out the current Fed tightening cycle for a while longer, but we suspect it will just make the opportunities that much more attractive when we sense the end is near.”

### **Details of First Quarter 2022 Results of Operations**

The Company reported net loss of \$3.5 million for the three-month period ended March 31, 2022. Advisory service revenue for the quarter was \$3.1 million. We recorded interest and dividend income of \$0.9 million and interest expense on long-term debt of \$0.3 million. We recorded a \$3.2 million mark to market loss on our shares of Orchid common stock and a mark to market loss of \$3.1 million on our MBS portfolio. The results for the quarter also included operating expenses of \$2.0 million and an income tax benefit of \$1.2 million.

### **Management of Orchid Island Capital, Inc.**

Orchid is managed and advised by Bimini. As Manager, Bimini is responsible for administering Orchid’s business activities and day-to-day operations. Pursuant to the terms of the management agreement, Bimini Advisors provides Orchid with its management team, including its officers, along with appropriate support personnel.

Bimini also maintains a common stock investment in Orchid which is accounted for under the fair value option, with changes in fair value recorded in the statement of operations for the current period. For the three months ended March 31, 2022, Bimini’s statement of operations included a fair value adjustment of \$(3.2) million and dividends of \$0.4 million from its investment in Orchid’s common stock. Also during the three months ended March 31, 2022, Bimini recorded \$3.1 million in advisory services revenue for managing Orchid’s portfolio consisting of \$2.7 million of management fees and \$0.4 million in overhead reimbursement.

### **Book Value Per Share**

The Company’s Book Value Per Share at March 31, 2022 was \$2.77. The Company computes Book Value Per Share by dividing total stockholders’ equity by the total number of shares outstanding of the Company’s Class A Common Stock. At March 31, 2022, the Company’s stockholders’ equity was \$29.1 million, with 10,513,914 Class A Common shares outstanding.

### **Capital Allocation and Return on Invested Capital**

The Company allocates capital between two MBS sub-portfolios, the pass-through MBS portfolio (“PT MBS”) and the structured MBS portfolio, consisting of interest only (“IO”) and inverse interest-only (“IIO”) securities. The table below details the changes to the respective sub-portfolios during the quarter.

Portfolio Activity for the Quarter						
	Pass-Through Portfolio	Structured Security Portfolio			Sub-total	Total
		Interest-Only Securities	Inverse Interest Only Securities			
<b>Market Value - December 31, 2021</b>	\$ 58,028,859	\$ 2,759,269	\$ 15,016	\$ 2,774,285	\$ 60,803,144	
Return of investment	n/a	(167,474)	(1,561)	(169,035)	(169,035)	
Pay-downs	(2,840,703)	n/a	n/a	n/a	(2,840,703)	
Premium lost due to pay-downs	(267,434)	n/a	n/a	n/a	(267,434)	
Mark to market gains (losses)	(3,276,758)	427,754	2,234	429,988	(2,846,770)	
<b>Market Value - March 31, 2022</b>	\$ 51,643,964	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 54,679,202	

The tables below present the allocation of capital between the respective portfolios at March 31, 2022 and December 31, 2021, and the return on invested capital for each sub-portfolio for the three-month period ended March 31, 2022. Capital allocation is defined as the sum of the market value of securities held, less associated repurchase agreement borrowings, plus cash and cash equivalents and restricted cash associated with repurchase agreements. Capital allocated to non-portfolio assets is not included in the calculation.

The returns on invested capital in the PT MBS and structured MBS portfolios were approximately (34.6)% and 16.2%, respectively, for the first quarter of 2022. The combined portfolio generated a return on invested capital of approximately (22.6)%.

Capital Allocation						
	Pass-Through Portfolio	Structured Security Portfolio			Sub-total	Total
		Interest-Only Securities	Inverse Interest Only Securities			
<b>March 31, 2022</b>						
Market value	\$ 51,643,964	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 54,679,202	
Cash equivalents and restricted cash	7,983,873	-	-	-	7,983,873	
Repurchase agreement obligations	(54,814,689)	-	-	-	(54,814,689)	
Total <sup>(1)</sup>	\$ 4,813,148	\$ 3,019,549	\$ 15,689	\$ 3,035,238	\$ 7,848,386	
% of Total	61.3%	38.5%	0.2%	38.7%	100.0%	
<b>December 31, 2021</b>						
Market value	\$ 58,028,859	\$ 2,759,269	\$ 15,016	\$ 2,774,285	\$ 60,803,144	
Cash equivalents and restricted cash	9,812,410	-	-	-	9,812,410	
Repurchase agreement obligations	(58,877,999)	-	-	-	(58,877,999)	
Total <sup>(1)</sup>	\$ 8,963,270	\$ 2,759,269	\$ 15,016	\$ 2,774,285	\$ 11,737,555	
% of Total	76.4%	23.5%	0.1%	23.6%	100.0%	

(1) Invested capital includes the value of the MBS portfolio and cash equivalents and restricted cash, reduced by repurchase agreement borrowings.

Returns for the Quarter Ended March 31, 2022						
	Pass-Through Portfolio	Structured Security Portfolio			Sub-total	Total
		Interest-Only Securities	Inverse Interest Only Securities			
Interest income (net of repo cost)	\$ 441,228	\$ 17,769	\$ 1,150	\$ 18,919	\$ 460,147	
Realized and unrealized (losses) gains	(3,544,192)	427,754	2,234	429,988	(3,114,204)	
Total Return	\$ (3,102,964)	\$ 445,523	\$ 3,384	\$ 448,907	\$ (2,654,057)	
Beginning capital allocation	\$ 8,963,270	\$ 2,759,269	\$ 15,016	\$ 2,774,285	\$ 11,737,555	
Return on invested capital for the quarter <sup>(1)</sup>	(34.6)%	16.1%	22.5%	16.2%	(22.6)%	

(1) Calculated by dividing the Total Return by the Beginning Capital Allocation, expressed as a percentage.

## Prepayments

For the first quarter of 2022, the Company received approximately \$3.0 million in scheduled and unscheduled principal repayments and prepayments, which equated to a 3-month constant prepayment rate (“CPR”) of approximately 20.9% for the first quarter of 2022. Prepayment rates on the two MBS sub-portfolios were as follows (in CPR):

Three Months Ended	PT MBS Sub- Portfolio	Structured MBS Sub- Portfolio	Total Portfolio
March 31, 2022	18.5	25.6	20.9
December 31, 2021	13.7	35.2	21.1
September 30, 2021	15.5	26.9	18.3
June 30, 2021	21.0	31.3	21.9
March 31, 2021	18.5	16.4	18.3

## Portfolio

The following tables summarize the MBS portfolio as of March 31, 2022 and December 31, 2021:

*(\$ in thousands)*

Asset Category	Fair Value	Percentage of Entire Portfolio	Weighted Average Coupon	Weighted Average Maturity in Months	Longest Maturity
<b>March 31, 2022</b>					
Fixed Rate MBS	\$ 51,644	94.4%	3.69%	327	1-Sep-51
Interest-Only MBS	3,019	5.6%	2.84%	304	15-May-51
Inverse Interest-Only MBS	16	0.0%	5.60%	206	15-May-51
Total MBS Portfolio	\$ 54,679	100.0%	3.41%	326	1-Sep-51
<b>December 31, 2021</b>					
Fixed Rate MBS	\$ 58,029	95.4%	3.69%	330	1-Sep-51
Interest-Only MBS	2,759	4.6%	2.86%	306	15-May-51
Inverse Interest-Only MBS	15	0.0%	5.90%	209	15-May-39
Total MBS Portfolio	\$ 60,803	100.0%	3.41%	329	1-Sep-51

*(\$ in thousands)*

Agency	March 31, 2022		December 31, 2021	
	Fair Value	Percentage of Entire Portfolio	Fair Value	Percentage of Entire Portfolio
Fannie Mae	\$ 34,936	63.9%	\$ 39,703	65.3%
Freddie Mac	19,743	36.1%	21,100	34.7%
Total Portfolio	\$ 54,679	100.0%	\$ 60,803	100.0%

	March 31, 2022	December 31, 2021
Weighted Average Pass Through Purchase Price	\$ 109.33	\$ 109.33
Weighted Average Structured Purchase Price	\$ 4.81	\$ 4.81
Weighted Average Pass Through Current Price	\$ 102.78	\$ 109.30
Weighted Average Structured Current Price	\$ 11.92	\$ 9.87
Effective Duration <sup>(1)</sup>	1.720	2.103

(1) Effective duration is the approximate percentage change in price for a 100 basis point change in rates. An effective duration of 1.720 indicates that an interest rate increase of 1.0% would be expected to cause a 1.720% decrease in the value of the MBS in the Company's investment portfolio at March 31, 2022. An effective duration of 2.103 indicates that an interest rate increase of 1.0% would be expected to cause a 2.103% decrease in the value of the MBS in the Company's investment portfolio at December 31, 2021. These figures include the structured securities in the portfolio but not the effect of the Company's hedges. Effective duration quotes for individual investments are obtained from The Yield Book, Inc.

### Financing and Liquidity

As of March 31, 2022, the Company had outstanding repurchase obligations of approximately \$54.8 million with a net weighted average borrowing rate of 0.34%. These agreements were collateralized by MBS with a fair value, including accrued interest, of approximately \$54.9 million and cash of approximately \$3.4 million. At March 31, 2022, the Company's liquidity was approximately \$4.6 million, consisting of unpledged MBS and cash and cash equivalents.

We may pledge more of our structured MBS as part of a repurchase agreement funding, but retain cash in lieu of acquiring additional assets. In this way, we can, at a modest cost, retain higher levels of cash on hand and decrease the likelihood we will have to sell assets in a distressed market in order to raise cash. Below is a list of outstanding borrowings under repurchase obligations at March 31, 2022.

*(\$ in thousands)*

Repurchase Agreement Obligations						
Counterparty	Total Outstanding Balances	% of Total	Weighted Average Borrowing Rate	Amount at Risk <sup>(1)</sup>	Weighted Average Maturity (in Days)	
Mirae Asset Securities (USA) Inc.	\$ 30,950	56.4%	0.36%	\$ 1,862	32	
ED&F Man Capital Markets, Inc.	11,540	21.1%	0.19%	659	14	
South Street Securities, LLC	5,053	9.2%	0.37%	237	18	
Citigroup Global Markets, Inc.	4,742	8.7%	0.38%	289	25	
Mitsubishi UFJ Securities (USA), Inc.	2,530	4.6%	0.75%	361	22	
	\$ 54,815	100.0%	0.34%	\$ 3,408	26	

(1) Equal to the fair value of securities sold (including accrued interest receivable) and cash posted as collateral, if any, minus the sum of repurchase agreement liabilities, accrued interest payable and securities posted by the counterparty (if any).

**Summarized Consolidated Financial Statements**

The following is a summarized presentation of the unaudited consolidated balance sheets as of March 31, 2022, and December 31, 2021, and the unaudited consolidated statements of operations for the three months ended March 31, 2022 and 2021. Amounts presented are subject to change.

**BIMINI CAPITAL MANAGEMENT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited - Amounts Subject To Change)

	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
Mortgage-backed securities	\$ 54,679,202	\$ 60,803,144
Cash equivalents and restricted cash	7,983,873	9,812,410
Orchid Island Capital, Inc. common stock, at fair value	8,434,910	11,679,107
Accrued interest receivable	214,550	229,942
Deferred tax assets, net	36,258,788	35,036,312
Other assets	4,439,555	4,523,726
<b>Total Assets</b>	<b>\$ 112,010,878</b>	<b>\$ 122,084,641</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Repurchase agreements	\$ 54,814,689	\$ 58,877,999
Long-term debt	27,433,290	27,438,976
Other liabilities	619,931	2,767,816
<b>Total Liabilities</b>	<b>82,867,910</b>	<b>89,084,791</b>
Stockholders' equity	29,142,968	32,999,850
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 112,010,878</b>	<b>\$ 122,084,641</b>
Class A Common Shares outstanding	10,513,914	10,702,194
Book value per share	\$ 2.77	\$ 3.08

**BIMINI CAPITAL MANAGEMENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited - Amounts Subject to Change)

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Advisory services	\$ 3,075,362	\$ 2,025,409
Interest and dividend income	893,669	1,116,713
Interest expense	(287,308)	(289,406)
Net revenues	3,681,723	2,852,716
Other (expense) income	(6,358,304)	658,400
Expenses	2,025,479	1,756,583
Net (loss) income before income tax (benefit) provision	(4,702,060)	1,754,533
Income tax (benefit) provision	(1,222,476)	464,103
Net (loss) income	\$ (3,479,584)	\$ 1,290,430

**Basic and Diluted Net Income (Loss) Per Share of:**

CLASS A COMMON STOCK	\$ (0.33)	\$ 0.11
CLASS B COMMON STOCK	\$ (0.33)	\$ 0.11

<b>Key Balance Sheet Metrics</b>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Average MBS <sup>(1)</sup>	\$ 57,741,173	\$ 69,017,031
Average repurchase agreements <sup>(1)</sup>	56,846,344	69,103,556
Average stockholders' equity <sup>(1)</sup>	31,071,409	35,133,064
<b>Key Performance Metrics</b>		
Average yield on MBS <sup>(2)</sup>	3.40%	3.54%
Average cost of funds <sup>(2)</sup>	0.22%	0.23%
Average economic cost of funds <sup>(3)</sup>	1.52%	4.33%
Average interest rate spread <sup>(4)</sup>	3.18%	3.31%
Average economic interest rate spread <sup>(5)</sup>	1.88%	(0.79)%

**Summarized Consolidated Financial Statements**

- (1). Average MBS, repurchase agreements and stockholders' equity balances are calculated using two data points, the beginning and ending balances.
- (2). Portfolio yields and costs of funds are calculated based on the average balances of the underlying investment portfolio/repurchase agreement balances and are annualized for the quarterly periods presented.
- (3). Represents interest cost of our borrowings and the effect of derivative agreements attributed to the period related to hedging activities, divided by average repurchase agreements.
- (4). Average interest rate spread is calculated by subtracting average cost of funds from average yield on MBS.
- (5). Average economic interest rate spread is calculated by subtracting average economic cost of funds from average yield on MBS.

**About Bimini Capital Management, Inc.**

Bimini Capital Management, Inc. invests primarily in, but is not limited to investing in, residential mortgage-related securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). Its objective is to earn returns on the spread between the yield on its assets and its costs, including the interest expense on the funds it borrows. In addition, Bimini generates a significant portion of its revenue serving as the

manager of the MBS portfolio of Orchid Island Capital, Inc.

### **Forward Looking Statements**

Statements herein relating to matters that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The reader is cautioned that such forward-looking statements are based on information available at the time and on management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in such forward-looking statements. Important factors that could cause such differences are described in Bimini Capital Management, Inc.'s filings with the Securities and Exchange Commission, including Bimini Capital Management, Inc.'s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Bimini Capital Management, Inc. assumes no obligation to update forward-looking statements to reflect subsequent results, changes in assumptions or changes in other factors affecting forward-looking statements.

### **Earnings Conference Call Details**

An earnings conference call and live audio webcast will be hosted Friday, May 13, 2022, at 10:00 AM ET. Participants can receive dial-in information via email by following the link:

<https://www.incommglobalevents.com/registration/q4inc/10810/bimini-capital-first-quarter-2022-earnings/>

A live audio webcast of the conference call can be accessed via the investor relations section of the Company's website at <https://ir.biminicapital.com> or at <https://events.q4inc.com/attendee/606840623>, and an audio archive of the webcast will be available for approximately one year.

#### **CONTACT:**

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Chairman and Chief Executive Officer

<https://ir.biminicapital.com>