UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 September 30, 2026

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number**: 001-32171**

Bimini Capital Management, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**72-1571637**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3305 Flamingo Drive, Vero Beach, Florida 32963
(Address of principal executive offices) (Zip Code)

(772) 231-1400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None.

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. Check one:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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 Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

Title of each Class	**Latest Practicable Date**	**Shares Outstanding**
Class A Common Stock, $0.001 par value	November 5, 2026	9,901,833
Class B Common Stock, $0.001 par value	November 5, 2026	31,938
Class C Common Stock, $0.001 par value	November 5, 2026	31,938

BIMINI CAPITAL MANAGEMENT, INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Report that are subject to risks and uncertainties. In some cases, these statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “should,” “may,” “plans,” “projects,” “will,” or similar expressions, or the negatives of these words. These forward-looking statements involve risks and uncertainties because they relate to events, developments, and circumstances relating to our business, industry financial condition, liquidity, results of operations, plans and objectives and/or general economic or other conditions that may or may not occur in the future or may occur on longer or shorter timelines or to a greater or lesser degree than anticipated. Although we believe that we have a reasonable basis for each forward-looking statement contained in this report, forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity, and the development of the industries in which we operate, may differ materially from the forward-looking statements contained in this Report as a result of the following factors, among others. Note that these factors are relevant for both our own assets as well as those that we manage on behalf of Orchid Island Capital, Inc. and the various accounts of Tom Johnson Investment Management, Inc.

- adverse movements in interest rates;
- our business and investment strategy and our ability to execute against that strategy;
- our ability to acquire investments on attractive terms;
- the effect of prepayment rates on the value of our assets;
- our ability to access the capital markets or to obtain other financing on acceptable terms;
- our ability to successfully hedge the interest rate risk and prepayment risk associated with our portfolio;
- our understanding of our competition and our ability to compete effectively;
- our ability to quantify risk based on historical experience;
- our ability to forecast our tax attributes, which are based upon various facts and assumptions, and our ability to protect and use our net operating loss carryforwards (“NOLs”) to offset future taxable income, including whether our stockholder rights plan will be effective in preventing an ownership change that would significantly limit our ability to utilize such NOLs;
- the impact of technology, including cybersecurity incidents and technology failures, on our operations and business;
- our ability to maintain our exemption from the obligation to register under the Investment Company Act of 1940, as amended;
- the effect of actual, anticipated or proposed actions of the U.S. government, including the U.S. Federal Reserve, the Federal Housing Finance Agency, the Federal Housing Administration, the Federal Open Market Committee and the U.S. Treasury, on interest rates, monetary policy, fiscal policy and the housing and credit markets;
- the federal conservatorship of the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and related efforts, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the U.S. government;
- the impact of inflation on general economic conditions and monetary policy;
- the impact of future changes in laws, regulations, accounting standards, tax laws or tax rates;
- geopolitical events, government responses to such events and the related impact on the economy both nationally and internationally;
- the fluctuation of assets under management and performance-based revenues;
- the cost of maintaining compliance with the SEC’s regulations applicable to registered investment advisor;
- the impact of our investment performance on our assets under management and our reputation;
- our ability to attract and maintain key investment professionals and client relationships;
- our ability to efficiently and effectively integrate the recently acquired investment advisory business;
- potential claims, damages, penalties, fines, costs and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; and
- other risks described from time to time in our filings with the Securities and Exchange Commission (the “SEC”).

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described under the caption “Risk Factors” in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2025 and any subsequent reports filed with or furnished to the SEC. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BIMINI CAPITAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2026	December 31, 2025
ASSETS:		
Mortgage-backed securities, at fair value (includes pledged assets of $14,373,893 and $88,807,576, respectively)	$ 14,483,702	$ 88,928,525
U.S. Treasury securities, at fair value	1,577,213	-
Cash and cash equivalents	8,404,578	12,696,660
Restricted cash	317,499	1,621,399
Orchid Island Capital, Inc. common stock, at fair value	3,090,056	4,097,311
Identifiable intangibles, net	9,360,000	-
Goodwill	4,838,864	-
Accounts receivable	1,724,461	-
Property and equipment, net	1,728,619	1,768,864
Deferred tax assets, net	15,640,458	17,239,648
Due from affiliates	1,663,656	1,660,666
Other assets	1,783,209	1,680,899
Total Assets	$ 64,612,315	$ 129,693,972
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Repurchase agreements	$ 13,972,000	$ 85,326,000
Long-term debt	27,329,273	27,346,546
Other liabilities	5,424,963	4,398,629
Total Liabilities	46,726,236	117,071,175
COMMITMENTS AND CONTINGENCIES (Note 10)		
Redeemable noncontrolling interest	$ 3,317,855	$ -
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; 100,000 shares designated Series A Junior Preferred Stock, 9,900,000 shares undesignated; no shares issued and outstanding as of September 30, 2026 and December 31, 2025	-	-
Class A Common stock, $0.001 par value; 98,000,000 shares designated: 9,922,056 shares issued and outstanding as of September 30, 2026 and December 31, 2025	9,922	10,005
Class B Common stock, $0.001 par value; 1,000,000 shares designated, 31,938 shares issued and outstanding as of September 30, 2026 and December 31, 2025	32	32
Class C Common stock, $0.001 par value; 1,000,000 shares designated, 31,938 shares issued and outstanding as of September 30, 2026 and December 31, 2025	32	32
Additional paid-in capital	329,564,891	329,815,150
Accumulated deficit	(315,006,653)	(317,202,422)
Total Stockholders' Equity	14,568,224	12,622,797
Total Liabilities, Redeemable Noncontrolling Interest and Stockholders' Equity	$ 64,612,315	$ 129,693,972

See Notes to Condensed Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
For the Nine and Three Months Ended September 30, 2026 and 2025

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Advisory services:				
REIT management fees	$ 15,155,451	$ 11,850,846	$ 4,950,919	$ 4,457,711
Investment advisory fees	3,421,043	-	1,692,886	-
Interest income	1,662,356	4,858,456	247,188	1,534,531
Dividend income from Orchid Island Capital, Inc. common stock	546,308	614,597	170,721	204,866
Total revenues	20,785,158	17,323,899	7,061,714	6,197,108
Interest expense:				
Repurchase agreements	(982,539)	(3,654,961)	(140,957)	(1,157,498)
Long-term debt	(1,513,024)	(1,621,984)	(518,493)	(544,012)
Net revenues	18,289,595	12,046,954	6,402,264	4,495,598
Other income (expense):				
Unrealized (losses) gains on mortgage-backed securities and U.S. Treasury securities	(1,033,585)	2,229,740	(771,609)	839,370
Realized losses on mortgage-backed securities	(372,053)	(178,140)	-	-
Unrealized losses on Orchid Island Capital Inc. common stock	(1,007,256)	(438,184)	(876,370)	-
Gains (losses) on derivative instruments	725,718	(1,969,539)	452,341	(169,953)
Other income	1,216	-	783	-
Other expense, net	(1,685,960)	(356,123)	(1,194,855)	669,417
Expenses:				
Compensation and related benefits	7,234,238	5,567,369	2,568,133	1,795,098
Direct advisory services costs	1,183,620	1,272,462	320,832	485,403
Directors' fees and liability insurance	663,558	579,019	257,841	189,248
Audit, legal and other professional fees	751,633	676,937	259,721	186,631
Acquisition related expenses	1,627,013	174,825	111,258	174,825
Amortization of intangible assets	340,000	-	170,000	-
Administrative and other expenses	704,288	444,205	244,877	140,481
Total expenses	12,504,350	8,714,817	3,932,662	2,971,686
Net income before income tax provision	4,099,285	2,976,014	1,274,747	2,193,329
Income tax provision	1,665,284	557,969	140,148	370,586
Net income	**2,434,001**	**2,418,045**	**1,134,599**	**1,822,743**
Less: income attributable to noncontrolling interests	238,232	-	113,941	-
Net income attributable to Bimini Capital Management, Inc. stockholders	$ **2,195,769**	$ **2,418,045**	$ **1,020,658**	$ **1,822,743**
Per share information attributable to Bimini Capital Management, Inc. stockholders:				
Basic and Diluted Net Income Per Share of:				
Class A Common Stock	$ 0.22	$ 0.24	$ 0.10	$ 0.18
Class B Common Stock	$ 0.22	$ 0.24	$ 0.10	$ 0.18
Weighted Average Shares Outstanding:				
Class A Common Stock	9,998,806	10,005,457	9,966,112	10,005,457
Class B Common Stock	31,938	31,938	31,938	31,938

See Notes to Condensed Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY
(Unaudited)
For the Nine and Three Months Ended September 30, 2026 and 2025

	Redeemable Noncontrolling Interest	Stockholders' Equity				
		Common Stock, all classes		Additional Paid-in Capital	Accumulated Deficit	Total
		Shares	Par Value			
Balances, January 1, 2026	$ -	10,069,333	$ 10,069	$ 329,815,150	$ (317,202,422)	$ 12,622,797
Net income	-	-	-	-	801,054	801,054
Balances, March 31, 2026	$ -	10,069,333	$ 10,069	$ 329,815,150	$ (316,401,368)	$ 13,423,851
Net income	124,291	-	-	-	374,057	374,057
Issuance on redeemable noncontrolling interest	3,079,623	-	-	-	-	-
Class A common shares repurchased and retired	-	(15,201)	(15)	(40,167)	-	(40,182)
Balances, June 30, 2026	$ 3,203,914	10,054,132	$ 10,054	$ 329,774,983	$ (316,027,311)	$ 13,757,726
Net income	113,941	-	-	-	1,020,658	1,020,658
Class A common shares repurchased and retired		(68,200)	(68)	(210,092)		(210,160)
Balances, September 30, 2026	3,317,855	9,985,932	$ 9,986	$ 329,564,891	$ (315,006,653)	$ 14,568,224
Balances, January 1, 2025	$ -	10,069,333	$ 10,069	$ 329,815,150	$ (323,003,812)	$ 6,821,407
Net income	-	-	-	-	552,570	552,570
Balances, March 31, 2025	$ -	10,069,333	$ 10,069	$ 329,815,150	$ (322,451,242)	$ 7,373,977
Net income	-	-	-	-	42,732	42,732
Balances, June 30, 2025	$ -	10,069,333	$ 10,069	$ 329,815,150	$ (322,408,510)	$ 7,416,709
Net income		-	-	-	1,822,743	1,822,743
Balances, September 30, 2025		10,069,333	$ 10,069	$ 329,815,150	$ (320,585,767)	$ 9,239,452

See Notes to Condensed Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
For the Nine Months Ended September 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,434,001	$ 2,418,045
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	399,178	50,649
Deferred income tax provision	1,599,190	557,969
Unrealized losses (gains) on mortgage-backed securities and U.S. Treasury securities	1,033,585	(2,229,740)
Realized losses on mortgage-backed securities	372,053	178,140
Losses (gains) on TBA securities	54,984	-
Unrealized losses on Orchid Island Capital, Inc. common stock	1,007,256	438,184
Changes in operating assets and liabilities:		
Due from affiliates	(2,990)	(330,389)
Other assets	92,061	4,988
Other liabilities	(960,698)	(278,778)
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,028,620	809,068
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of mortgage-backed securities	68,590,546	9,786,053
Principal repayments on mortgage-backed securities	4,436,252	10,206,087
Purchases of U.S. Treasury securities	(1,564,827)	-
Net payments on derivative instruments	(54,984)	-
Acquisition of Tom Johnson Investment Management, LLC (net of $590,026 cash acquired)	(11,409,974)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	59,997,013	19,992,140
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from repurchase agreements	1,071,288,523	643,715,478
Principal repayments on repurchase agreements	(1,142,642,523)	(660,943,477)
Principal repayments on long-term debt	(17,273)	(16,031)
Class A common shares repurchased and retired	(250,342)	-
NET CASH USED IN FINANCING ACTIVITIES	(71,621,615)	(17,244,030)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(5,595,982)	3,557,178
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of the period	14,318,059	7,422,746
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of the period	$ 8,722,077	$ 10,979,924
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest expense	$ 2,683,994	$ 5,357,697
Income taxes	33,910	-
Noncash investing and financing activities:		
Deferred acquisition consideration incurred - TJIM acquisition	$ 316,114	$ -

See Notes to Condensed Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
September 30, 2026

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Description

Bimini Capital Management, Inc., a Maryland corporation ("Bimini Capital" and collectively with its subsidiaries, the "Company"), operates in three business segments through its wholly owned subsidiaries and an 80% ownership stake in Tom Johnson Investment Management, LLC ("TJIM"), which was acquired on April 1, 2026. See "TJIM" below for details of the acquisition of TJIM and the TJIM business.

Our wholly owned subsidiary Bimini Advisors, LLC (an SEC-registered investment advisor referred to as "Bimini Advisors") manages a mortgage-backed securities ("MBS") portfolio for Orchid Island Capital, Inc. ("Orchid") and receives fees for providing these services. Bimini Advisors also provides certain repurchase agreement trading, clearing and administrative services to Orchid. Bimini Advisors also manages the portfolio of Royal Palm Capital LLC (including its subsidiaries, "Royal Palm"), another wholly owned subsidiary. Royal Palm's investment portfolio consists primarily of residential MBS investments and shares of Orchid common stock, for its own benefit.

TJIM

On April 1, 2026, the Company completed the acquisition of an 80% ownership stake in TJIM (the "TJIM Acquisition"), an SEC-registered investment adviser.

The Company now operates as a diversified financial services and asset management platform providing discretionary and non-discretionary investment advisory services to institutional investors, high-net-worth individuals, retirement plans, subadvisor platforms, and foundations.

TJIM manages over $1.7 billion in regulatory assets under management across equity, fixed income, and balanced strategies. Operating as a fiduciary, TJIM provides discretionary portfolio management centered on fundamental research, high-quality security selection, and continuous risk oversight.

TJIM delivers investment strategies through two primary operational channels. For direct advisory clients - including individuals, high-net-worth families, retirement plans, foundations, and institutions - TJIM constructs customized Separately Managed Accounts ("SMAs") paired with dedicated personal service. TJIM also serves as a trusted third-party asset manager on many of the industry's prominent nationally distributed platforms, enabling financial advisors at broker-dealers, banks, insurance companies, and independent RIAs to complement their existing practices with TJIM's time-tested strategies:

- TJIM Core/Relative Value Stock Portfolio
- TJIM Diversified Stock Income Portfolio
- TJIM Fixed Income Portfolio
- TJIM Intermediate Fixed Income Portfolio
- TJIM Balanced Portfolios
- TJIM Tax-Exempt Fixed Income Portfolio
- TJIM Short-Term Income Portfolio
- TJIM Asset Allocations Portfolios

TJIM is compensated primarily through asset-based management fees calculated as a percentage of assets under management.

With the exception of the "Pro Forma Financial Information" included in Note 16, the financial information contained in these financial statements relating to TJIM takes into account only the results of operations and performance of TJIM after April 1, 2026.

Segment Reporting

The Company's operations are classified into three reportable segments: the asset management segment of Bimini Advisors, the asset management segment of TJIM, and the investment portfolio segment. These segments are evaluated by management in deciding how to allocate resources and in assessing performance. The accounting policies of the operating segments are the same as those of the Company's except that inter-segment revenues and expenses are included in the presentation of segment results. For further information see Note 14.

Consolidation

The accompanying condensed consolidated financial statements include the accounts of Bimini Capital and its subsidiaries, as listed above. All inter-company accounts and transactions have been eliminated.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they may not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim periods are included. Operating results for the nine- and three-month periods ended September 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

The consolidated balance sheet at December 31, 2025 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete consolidated financial statements. For further information, refer to the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Reclassifications

Beginning in the current period, the Company aggregated certain financial statement line items to enhance the presentation and readability of its consolidated financial statements. Comparative prior-period amounts have been conformed to the current presentation, where applicable. The aggregation of these line items had no effect on previously reported total assets, total liabilities, stockholders' equity, net income, earnings per share, or cash flows.

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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could significantly differ from those estimates. Significant estimates affecting the accompanying consolidated financial statements include determining the value of and estimated useful lives of intangible assets, determining the fair values of MBS and the amounts of asset valuation allowances, determining the fair value of assets acquired and liabilities assumed in business combinations, including redeemable noncontrolling interests and deferred consideration, and the computation of the income tax provision or benefit and the deferred tax asset allowances recorded for each accounting period.

Variable Interest Entities

A variable interest entity ("VIE") is consolidated by an enterprise if it is deemed the primary beneficiary of the VIE. The Company obtains interests in VIEs through its investments in MBS. The interests in these VIEs are passive in nature and are not expected to result in the Company obtaining a controlling financial interest in these VIEs in the future. As a result, the Company does not consolidate these VIEs and accounts for the interest in these VIEs as MBS. See Note 3. The maximum exposure to loss for these VIEs is the carrying value of the MBS.

Bimini Capital has a common share investment in a trust, Bimini Capital Trust II, ("BCTII"), used in connection with the issuance of Bimini Capital's junior subordinated notes. BCTII is a VIE, as the holders of the equity investment at risk do not have adequate decision-making ability over BCTII's activities. Bimini Capital's investment was financed directly by BCTII as a result of its loan of the proceeds to Bimini Capital; therefore, that investment is not an equity investment at risk and is not a variable interest. Since Bimini Capital is not the primary beneficiary of BCTII, the Company has not consolidated the financial statements of BCTII into its consolidated financial statements, and this investment is accounted for on the equity method. See Note 8.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on deposit with financial institutions and highly liquid investments with original maturities of three months or less at the time of purchase. Restricted cash includes cash pledged as collateral for repurchase agreements and margin for derivative instruments. The following table presents the Company's cash, cash equivalents and restricted cash as of September 30, 2026 and December 31, 2025.

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 8,404,578	$ 12,696,660
Restricted cash	317,499	1,621,399
Total cash, cash equivalents and restricted cash	$ 8,722,077	$ 14,318,059

The Company maintains cash balances at several banks and excess margin with one exchange clearing member. At times, balances may exceed federally insured limits. The Company has not experienced any losses related to these balances. Restricted cash balances are uninsured, but are held in separate accounts that are segregated from the general funds of the counterparty. The Company limits uninsured balances to only large, well-known banks and exchange clearing members and believes that it is not exposed to significant credit risk on cash and cash equivalents or restricted cash balances.

Advisory Services

Bimini Advisors manages and advises Orchid pursuant to the terms of a management agreement. See Note 2. Under the terms of the management agreement, Orchid is obligated to pay Bimini Advisors a monthly management fee and a pro rata portion of certain overhead costs and to reimburse the Company for any direct expenses incurred on its behalf. Revenues from management fees are recognized over the period of time in which the service is performed.

TJIM provides discretionary and non-discretionary investment advisory services to institutional investors, high-net-worth individuals, retirement plans, subadvisor platforms, and foundations. See Note 2. Advisory service fee income is earned pursuant to investment advisory agreements and is generally calculated as a percentage of assets under management. Revenue is recognized over time as investment management services are provided. Fees are generally received in arrears.

Accounts Receivable

Accounts receivable consist primarily of investment advisory, asset management, and other fee-based revenues earned in the ordinary course of business. Receivables are recorded when the Company's right to consideration becomes unconditional and are presented net of an allowance for expected credit losses. The Company maintains an allowance for expected credit losses in accordance with Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments—Credit Losses*. The allowance reflects management's estimate of lifetime expected credit losses and is based on historical loss experience, the aging of outstanding receivables, the financial condition and payment history of customers, current economic conditions, and reasonable and supportable forecasts that may affect collectability. Investment advisory fee receivables are generally short-term in nature and are collected pursuant to contractual arrangements with clients or directly from client investment accounts maintained by qualified custodians. As a result, the Company has historically experienced minimal credit losses on these receivables. As such, as of September 30, 2026 and December 31, 2025, the Company has not recorded an allowance for credit losses. Management evaluates the adequacy of the allowance on a recurring basis and adjusts the allowance, as necessary, based on changes in facts and circumstances.

Accounts receivable are written off when management determines that collection is not probable, after considering all available information and collection efforts. Any subsequent recoveries of amounts previously written off are recorded as a reduction of credit loss expense in the period collected.

Because substantially all accounts receivable arise from contractual fee arrangements with investment advisory clients and are generally collected within a relatively short period, the Company believes that its exposure to credit risk is limited. The Company does not generally require collateral from its clients.

Mortgage-Backed Securities and U.S. Treasury Notes

The investment portfolio of Royal Palm is invested primarily in common shares of Orchid and mortgage pass-through ("PT") MBS issued by Freddie Mac, Fannie Mae or Ginnie Mae, collateralized mortgage obligations ("CMOs"), interest-only ("IO") securities and inverse interest-only ("IIO") securities representing interests in or obligations backed by pools of mortgage-backed loans. The Company refers to MBS and CMOs as PT MBS and IO and IIO securities as structured MBS. The Company also invests in U.S. Treasury Notes. The Company has elected to account for its investment in MBS and U.S. Treasury Notes under the fair value option. Electing the fair value option requires the Company to record changes in fair value in the consolidated statement of operations, which, in management's view, more appropriately reflects the results of the Company's operations for a particular reporting period and is consistent with the underlying economics and how the portfolio is managed.

The Company records securities transactions on the trade date. Security purchases that have not settled as of the balance sheet date are included in the portfolio balance with an offsetting liability recorded, whereas securities sold that have not settled as of the balance sheet date are removed from the portfolio balance with an offsetting receivable recorded.

Fair value is defined as the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market for the asset or liability, or in the absence of a principal market, occurs in the most advantageous market for the asset or liability. Estimated fair values for MBS and U.S. Treasury Notes are based on independent pricing sources and/or third-party broker quotes, when available.

Income on PT MBS and U.S. Treasury Notes is based on the stated interest rate of the security. Premiums or discounts present at the date of purchase are not amortized. Premium loss and discount accretion resulting from monthly principal repayments are reflected in unrealized gains and losses on MBS in the consolidated statements of operations. For IO securities, the income is accrued based on the carrying value and the effective yield. The difference between income accrued and the interest received on the security is characterized as a return of investment and serves to reduce the asset's carrying value. At each reporting date, the effective yield is adjusted prospectively for future reporting periods based on the new estimate of prepayments and the contractual terms of the security. For IIO securities, effective yield and income recognition calculations also take into account the index value applicable to the security. Changes in fair value of MBS during each reporting period are recorded in earnings and reported as unrealized gains or losses on MBS in the accompanying consolidated statements of operations. The amount reported as unrealized gains or losses on MBS thus captures the net effect of changes in the fair market value of securities caused by market developments and any premium or discount lost as a result of principal repayments during the period. Realized gains and losses on sales of MBS, using the specific identification method, are reported as a separate component of net portfolio income on the statement of operations.

Orchid Common Stock

The Company accounts for its investment in Orchid common shares at fair value. The change in the fair value and dividends received on this investment are reflected in the consolidated statements of operations for each reporting period. We estimate the fair value of Orchid's common shares on a market approach using "Level 1" inputs based on the quoted market price of Orchid's common stock on a national stock exchange.

Derivative Financial Instruments

The Company has historically used derivative instruments to manage interest rate risk, facilitate asset/liability strategies and manage other exposures, and it may continue to do so in the future. The principal instruments that the Company has used are interest rate futures contracts, and "to-be-announced" ("TBA") securities transactions. The Company accounts for TBA securities as derivative instruments. Other types of derivative instruments may be used in the future. Gains and losses associated with derivative transactions are reported in gain (loss) on derivative instruments in the accompanying consolidated statements of operations.

Derivative instruments are carried at fair value, and changes in fair value are recorded in the consolidated operations for each period. The Company's derivative financial instruments are not designated as hedge accounting relationships, but rather are used as economic hedges of its portfolio assets and liabilities. Gains and losses on derivatives, except those that result in cash receipts or payments, are included in operating activities on the statements of cash flows. Cash payments and cash receipts from settlement of derivatives, including current period net cash settlements on interest rate swaps, are classified as an investing activity on the statements of cash flows. The Company's derivative agreements generally contain provisions that allow for netting or setting off derivative assets and liabilities with the counterparty; however, related assets and liabilities are reported on a gross basis in the Company's consolidated balance sheets. Derivative instruments in a gain position, if any, are reported as derivative assets at fair value and derivative instruments in a loss position, if any, are reported as derivative liabilities at fair value in the consolidated balance sheets.

Holding derivatives creates exposure to credit risk related to the potential for failure by counterparties to honor their commitments. In the event of default by a counterparty, the Company may have difficulty recovering its collateral and may not receive payments provided for under the terms of the agreement. The Company's derivative agreements require it to post or receive collateral to mitigate such risk. In addition, the Company uses only registered central clearing exchanges and well-established commercial banks as counterparties, monitors positions with individual counterparties and adjusts posted collateral as required. The Company's futures contracts are exchange traded contracts that are valued based on exchange pricing with daily margin requirements. The margin requirement varies based on the market value of the open position and the equity retained in the account. Margin posted is treated as settlement of the outstanding value of the futures contract. Any margin excess or deficit outstanding is recorded as a receivable or payable as of the date of the Company's balance sheets. The Company realizes gains and losses on these contracts upon expiration equal to the difference between the current fair value of the underlying asset and the contractual price of the futures contract.

Financial Instruments

The fair value of financial instruments is disclosed either in the body of the consolidated financial statements or in the accompanying notes. MBS, U.S. Treasury Notes, Orchid common stock, and derivative assets and liabilities are accounted for at fair value in the consolidated balance sheets. The methods and assumptions used to estimate fair value for these instruments are presented in Note 13.

Property and Equipment, net

Property and equipment, net, consists of computer equipment with a depreciable life of three years, office furniture and equipment with depreciable lives of eight to 20 years, land which has no depreciable life, and our building and its improvements with depreciable lives of 30 years. Property and equipment is recorded at acquisition cost and depreciated to their respective salvage values using the straight-line method over the estimated useful lives of the assets. Depreciation is included in administrative and other expenses in the consolidated statement of operations.

Repurchase Agreements

The Company finances the acquisition of the majority of its PT MBS through the use of repurchase agreements under master repurchase agreements. Repurchase agreements are accounted for as collateralized financing transactions, which are carried at their contractual amounts, including accrued interest, as specified in the respective agreements.

Earnings Per Share

Basic earnings per share ("EPS") is calculated as income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated using the treasury stock or two-class method, as applicable for common stock equivalents. However, the common stock equivalents are not included in computing diluted EPS if the result is anti-dilutive.

Outstanding shares of Class B Common Stock, participating and convertible into Class A Common Stock, are entitled to receive dividends in an amount equal to the dividends declared, if any, on each share of Class A Common Stock. Accordingly, shares of the Class B Common Stock are included in the computation of basic EPS using the two-class method and, consequently, are presented separately from Class A Common Stock.

The shares of Class C Common Stock are not included in the basic EPS computation as these shares do not have participation rights. The outstanding shares of Class B and Class C Common Stock are not included in the computation of diluted EPS for the Class A Common Stock as the conditions for conversion into shares of Class A Common Stock were not met.

Any accretion or other adjustment to the redeemable noncontrolling interests is reflected as an adjustment to retained earnings, or in the absence of retained earnings, additional paid-in capital, and reduces income available to common stockholders for EPS purposes.

Income Taxes

Income taxes are provided for using the asset and liability method. Deferred tax assets and liabilities represent the differences between the financial statement and income tax bases of assets and liabilities using enacted tax rates. The measurement of net deferred tax assets is adjusted by a valuation allowance if, based on the Company's evaluation, it is more likely than not that they will not be fully realized in future accounting periods.

The Company's U.S. federal income tax returns for years ended on or after December 31, 2022 remain open for examination. Although management believes its calculations for tax returns are correct and the positions taken thereon are reasonable, the final outcome of a tax examination, should it occur, could be materially different from the tax returns filed by the Company, and those differences could result in significant costs or benefits to the Company. Bimini Capital and its includable subsidiaries, and Royal Palm and its includable subsidiaries, file their tax returns as separate tax paying entities.

The Company assesses the likelihood, based on their technical merit, that uncertain tax positions will be sustained during a tax examination based on the facts, circumstances and information available. The measurement of uncertain tax positions is adjusted when new information is available, or when an event occurs that requires a change. The Company recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized upon settlement. The difference between the benefit recognized and the tax benefit claimed on a tax return is referred to as an unrecognized tax benefit and is recorded as a liability in the consolidated balance sheets. The Company has recorded no such liabilities. The Company records income tax-related interest and penalties, if applicable, within the income tax provision.

Business Combinations

Mergers and acquisitions are accounted for using the acquisition method of accounting. Assets and liabilities acquired and assumed are recorded at their fair values as of the date of the transaction. The excess of purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. Subsequent adjustments to provisional fair value amounts that are identified in reporting periods within one year after the acquisition date in a business combination are recognized in the reporting period in which the adjustment amounts are determined. Significant estimates and judgments are involved in the fair valuation and purchase price allocation process. Results of operations of the acquired business are included in the statement of operations from the effective date of acquisition.

Redeemable Noncontrolling Interests ("NCI")

Under the terms of TJIM's governing documents and subject to certain conditions, the Company has a call option to purchase the remaining interests from the minority owner (i.e., noncontrolling interests) and the minority owner has a put option to sell all of its interests to the Company for 50% of the redemption price (to be determined using the formula used to determine the purchase price paid by the Company in connection with the TJIM Acquisition) in cash at the closing of such redemption and 50% in a 36-month promissory note bearing interest at the prime lending rate. Because the exercise of the put option is outside the control of the Company, the redeemable NCI is recorded in the mezzanine section of its consolidated balance sheets.

The redeemable NCI is carried at the higher of the carrying amount – reflecting the Sellers share of net income/loss, other comprehensive income/loss, and distributions – or the applicable redemption value. The change in carrying value of the redeemable NCI is recorded as an offset to retained earnings, with a corresponding impact on earnings per share. Upon exercise of the call or put options, any difference between the consideration paid and carrying value of the redeemable NCI is recorded as an adjustment to additional paid-in capital.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is subject to impairment testing at the reporting unit level, which is conducted at least annually or when events or changes in circumstances indicate the goodwill might be impaired. The Company performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing updated qualitative factors, the Company determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, it performs a quantitative goodwill impairment test. Determining the fair value of a reporting unit requires judgment and often involves the use of significant estimates and assumptions. Similarly, estimates and assumptions are used in determining the fair value of other intangible assets. Estimates of fair value are primarily determined using discounted cash flows, market comparisons and recent transactions.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortized using the straight-line methods over their estimated useful lives. For finite-lived intangible assets, if potential impairment circumstances are considered to exist, the Company will perform a recoverability test using an undiscounted cash flow analysis. If the carrying value of the asset is greater than the total undiscounted cash flows, the difference between the carrying value of the asset and its current fair value would be recognized as an expense in the period in which the impairment occurs.

To measure the fair value of intangible assets acquired in the TJIM Acquisition, various measurement techniques were used including the relief-from-royalty method for the acquired tradename and the multi-period excess earnings method for the acquired client relationships.

Deferred Consideration

The Company records deferred consideration relating to business combinations in other liabilities on the balance sheet with a corresponding increase to the purchase price at its acquisition date fair value. Because the deferred amount is fixed and payable after a stated period, it is not contingent on future performance. Any difference between the present value recognized at the acquisition date and the ultimate cash payment is recognized as interest expense over the deferral period using the effective interest method.

Recent Accounting Pronouncements

On January 1, 2025, the Company adopted Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures,* which requires, among other things, greater disaggregation of information in the income tax rate reconciliation and for paid income taxes to be disaggregated by jurisdiction. The Company adopted ASU 2023-09 on a retrospective basis, and the adoption did not have any impact on the financial statements or results of operations.

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The amendments in the ASU require disclosures about specific types of expenses included in the expense captions presented on the Consolidated Statements of Income, as well as disclosures about selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026. We are currently evaluating the impact of adoption on our financial disclosures.

In November 2025, the FASB issued ASU No. 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*. The amendments expand the population of acquired financial assets subject to the gross-up approach under Topic 326 to include certain purchased seasoned loans that are acquired without evidence of credit deterioration. Under the amended guidance, an allowance for expected credit losses is recognized at the acquisition date as an adjustment to the amortized cost basis of qualifying purchased loans, rather than through current-period credit loss expense. The amendments are intended to improve comparability between the accounting for purchased credit deteriorated loans and other qualifying acquired loans. The amendments in ASU 2025-08 are effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods, with early adoption permitted. The standard is to be applied prospectively to qualifying loans acquired on or after the date of adoption. The Company is currently evaluating the impact of adopting ASU 2025-08. Because the Company does not originate or routinely acquire loan portfolios as part of its normal business operations, the Company does not currently expect the adoption of ASU 2025-08 to have a material impact on its consolidated financial statements or related disclosures.

NOTE 2. ADVISORY SERVICES

Bimini Advisors

Bimini Advisors serves as the manager and advisor for Orchid pursuant to the terms of a management agreement. As Manager, Bimini Advisors 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 Advisors is at all times subject to the supervision and oversight of Orchid's board of directors and has only such functions and authority as delegated to it. Bimini Advisors receives a monthly management fee in the amount of:

- One-twelfth of 1.50% of the first $250 million of Orchid’s month-end equity, as defined in the management agreement,
- One-twelfth of 1.25% of Orchid’s month-end equity that is greater than $250 million and less than or equal to $500 million, and
- One-twelfth of 1.00% of Orchid’s month-end equity that is greater than $500 million.

The Company also provides certain repurchase agreement trading, clearing and administrative services to Orchid. In consideration for such services, Orchid pays the following fees to the Company:

- a daily fee equal to the outstanding principal balance of repurchase agreement funding in place as of the end of such day multiplied by 1.5 basis points for the amount of aggregate outstanding principal balance less than or equal to $5 billion, and multiplied by 1.0 basis point for any amount of aggregate outstanding principal balance in excess of $5 billion, and
- a fee for the clearing and operational services provided by personnel of the Manager equal to $10,000 per month.

Orchid is obligated to reimburse Bimini Advisors for any direct expenses incurred on its behalf and to pay to Bimini Advisors an amount equal to Orchid's pro rata portion of certain overhead costs set forth in the management agreement. Orchid is required to pay Bimini Advisors by the 15th day of the month following the month the services are performed. The management agreement has been renewed through February 20, 2027 and provides for automatic one-year extension options thereafter. Should Orchid terminate the management agreement without cause, it will be obligated to pay Bimini Advisors a termination fee equal to three times the average annual management fee, as defined in the management agreement, before or on the last day of the applicable renewal term.

The following table summarizes the advisory services revenue from Orchid for the nine and three months ended September 30, 2026 and 2025.

(in thousands)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Management fee	$ 12,182	$ 9,023	$ 4,071	$ 3,294
Allocated overhead	1,881	2,077	510	887
Repurchase, clearing and administrative fee	1,092	751	370	277
Total REIT management fees	$ 15,155	$ 11,851	$ 4,951	$ 4,458

At September 30, 2026 and December 31, 2025, the net amount due from Orchid was approximately $1.7 million and $1.7 million, respectively.

TJIM

TJIM provides discretionary and non-discretionary investment advisory services to institutional investors, high-net-worth individuals, retirement plans, subadvisor platforms, and foundations.

TJIM generates revenue primarily from asset-based management fees calculated as a percentage of assets under management.

Management fees are generally calculated as a percentage of AUM and are affected by market conditions, investor inflows and outflows, investment performance, and client retention.

The following table summarizes advisory services revenue attributable to TJIM and included in Bimini's consolidated statements of income for the nine and three months ended September 30, 2026. The amounts presented for the nine month period reflect only the amounts attributable to the period from April 1, 2026, the date of the TJIM Acquisition, through September 30, 2026.

(in thousands)

	Nine Months Ended September 30, 2026	Three Months Ended September 30, 2026
Advisory programs	$ 1,766	$ 861
Sub-advisor programs	323	171
Model programs	1,332	661
Total investment advisory fees	$ 3,421	$ 1,693

NOTE 3. MORTGAGE-BACKED SECURITIES AND U.S. TREASURY SECURITIES

The following table presents the Company's MBS portfolio as of September 30, 2026 and December 31, 2025:

(in thousands)

	Par Value	Cost (1)	Fair Value
September 30, 2026	$ 15,030	$ 15,220	$ 14,484
December 31, 2025	86,293	87,266	88,929

(1) The cost information in the table above represents the aggregate current par value, multiplied by the purchase price of each security in the portfolio.

The following table presents the Company's U.S. Treasury security portfolio as of September 30, 2026:

(in thousands)

	Par Value	Cost	Fair Value
U.S. Treasury Bill, 11/5/2026	$ 350	$ 347	$ 349
U.S. Treasury Bill, 12/1/2026	500	495	497
U.S. Treasury Bill, 12/15/2026	738	730	731
Totals	$ 1,588	$ 1,572	$ 1,577

The following table is a summary of the Company's net gain (loss) from the sales of MBS for the nine months ended September 30, 2026 and 2025.

(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Proceeds from sales of MBS	$ 68,591	$ 9,786
Carrying value of MBS sold	(68,963)	(9,964)
Net loss on sales of MBS	$ (372)	$ (178)
Gross gain on sales of MBS	$ 6	$ -
Gross loss on sales of MBS	(378)	(178)
Net loss on sales of MBS	$ (372)	$ (178)

NOTE 4. REPURCHASE AGREEMENTS

The Company pledges certain of its MBS as collateral under repurchase agreements with financial institutions. Interest rates are generally fixed based on prevailing rates corresponding to the terms of the borrowings, and interest is generally paid at the termination of a borrowing. If the fair value of the pledged securities declines, lenders will typically require the Company to post additional collateral or pay down borrowings to re-establish agreed upon collateral requirements, referred to as "margin calls." Similarly, if the fair value of the pledged securities increases, lenders may release collateral back to the Company. During the nine months ended September 30, 2026 and 2025, the Company had met all margin call requirements.

As of September 30, 2026 and December 31, 2025, the Company's repurchase agreements had remaining maturities as summarized below:

($ in thousands)

	OVERNIGHT (1 DAY OR LESS)	BETWEEN 2 AND 30 DAYS	BETWEEN 31 AND 90 DAYS	GREATER THAN 90 DAYS	TOTAL
September 30, 2026					
Fair value of securities pledged, including accrued interest receivable	$ -	$ 14,441	$ -	$ -	$ 14,441
Repurchase agreement liabilities associated with these securities	$ -	$ 13,972	$ -	$ -	$ 13,972
Net weighted average borrowing rate	-	3.98%	-	-	3.98%
December 31, 2025					
Fair value of securities pledged, including accrued interest receivable	$ -	$ 70,681	$ 18,539	$ -	$ 89,220
Repurchase agreement liabilities associated with these securities	$ -	$ 67,669	$ 17,657	$ -	$ 85,326
Net weighted average borrowing rate	-	4.00%	3.89%	-	3.98%

If, during the term of a repurchase agreement, a lender files for bankruptcy, the Company might experience difficulty recovering its pledged assets, which could result in an unsecured claim against the lender for the difference between the amount loaned to the Company plus interest due to the counterparty and the fair value of the collateral pledged to such lender, including the accrued interest receivable, and cash posted by the Company as collateral, if any. At September 30, 2026 and December 31, 2025, the Company had an aggregate amount at risk (the difference between the amount loaned to the Company, including interest payable, and the fair value of securities and any cash pledged, including accrued interest on such securities) with all counterparties of approximately $0.6 million and $4.2 million, respectively. The Company did not have an amount at risk with any one counterparty exceeding 10% of stockholders' equity as of September 30, 2026 and December 31, 2025.

NOTE 5. PLEDGED ASSETS

Assets Pledged to Counterparties

The table below summarizes Bimini's assets pledged as collateral under its repurchase agreements and derivative agreements as of September 30, 2026 and December 31, 2025.

($ in thousands)

	September 30, 2026			December 31, 2025		
	Repurchase Agreements	Derivative Agreements	Total	Repurchase Agreements	Derivative Agreements	Total
Mortgage-backed securities	$ 14,374	$ -	$ 14,374	$ 88,808	$ -	$ 88,808
Accrued interest on pledged securities	67	-	67	413	-	413
Restricted cash	160	157	317	568	1,053	1,621
Total	$ 14,601	$ 157	$ 14,758	$ 89,789	$ 1,053	$ 90,842

NOTE 6. OFFSETTING ASSETS AND LIABILITIES

The Company's derivatives and repurchase agreements are subject to underlying agreements with master netting or similar arrangements, which provide for the right of offset in the event of default or in the event of bankruptcy of either party to the transactions. The Company reports its assets and liabilities subject to these arrangements on a gross basis. The following tables present information regarding those assets and liabilities subject to such arrangements as if the Company had presented them on a net basis as of September 30, 2026 and December 31, 2025.

(in thousands)

	Offsetting of Liabilities					
	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Consolidated Balance Sheet	Net Amount of Liabilities Presented in the Consolidated Balance Sheet	Gross Amount Not Offset in the Consolidated Balance Sheet		Net Amount
				Financial Instruments Posted as Collateral	Cash Posted as Collateral	
September 30, 2026						
Repurchase Agreements	$ 13,972	$ -	$ 13,972	$ (13,812)	$ (160)	$ -
	$ 13,972	$ -	$ 13,972	$ (13,812)	$ (160)	$ -
December 31, 2025						
Repurchase Agreements	$ 85,326	$ -	$ 85,326	$ (84,758)	$ (568)	$ -
	$ 85,326	$ -	$ 85,326	$ (84,758)	$ (568)	$ -

The amounts disclosed for collateral received by or posted to the same counterparty are limited to the amount sufficient to reduce the asset or liability presented in the consolidated balance sheet to zero. The fair value of the actual collateral received by or posted to the same counterparty typically exceeds the amounts presented. See Note 5 for a discussion of collateral posted for, or received against, repurchase obligations and derivative instruments.

NOTE 7. INTANGIBLES AND GOODWILL

Intangible Assets

Intangible assets as of September 30, 2026 and December 31, 2025 consisted of the following:

(in thousands)

	Amortization Term (months)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
TJIM client relationships	180	$ 8,700	$ 290	$ 8,410
TJIM tradename	120	1,000	50	950
Total		$ 9,700	$ 340	$ 9,360

Amortization expense for both the nine and three months ended September 30, 2026 was $340,000 and $170,000, respectively. The table below presents the future scheduled amortization of the Company's intangible assets.

(in thousands)

Last three months of 2026	$ 170
For the years:	
2027	680
2028	680
2029	680
2030	680
After 2030 (cumulative)	6,470
Total	$ 9,360

Goodwill

As of September 30, 2026, the Company had goodwill of $4.8 million, which is allocated to the asset management segment of TJIM. Goodwill recognized in connection with the TJIM Acquisition primarily represents expected synergies, assembled workforce, and future economic benefits that do not qualify for separate recognition under ASC 805. Goodwill is tested for impairment at least annually, or more frequently in the case of a triggering event.

NOTE 8. LONG-TERM DEBT

Long-term debt at September 30, 2026 and December 31, 2025 is summarized as follows:

(in thousands)

	September 30, 2026	December 31, 2025
Junior subordinated debt	$ 26,804	$ 26,804
Secured note payable	525	543
Total	$ 27,329	$ 27,347

Junior Subordinated Debt

During 2005, Bimini Capital sponsored the formation of a statutory trust, known as BCTII, 100% of the common equity of which is owned by Bimini Capital. It was formed for the purpose of issuing trust preferred capital securities to third-party investors and investing the proceeds from the sale of such capital securities solely in junior subordinated debt securities of Bimini Capital. The debt securities held by BCTII are the sole assets of BCTII.

As of September 30, 2026 and December 31, 2025, the outstanding principal balance on the junior subordinated debt securities owed to BCTII was $26.8 million. The interest rate for the junior subordinated debt is the CME Term Secured Overnight Financing Rate ("SOFR") on the applicable reset date plus the tenor spread adjustment of 0.26161% plus the coupon spread of 3.50%. As of September 30, 2026 and December 31, 2025, the interest rate was 7.80% and 7.48%, respectively. The BCTII trust preferred securities and Bimini Capital's BCTII Junior Subordinated Notes require quarterly interest distributions, are redeemable at Bimini Capital's option, in whole or in part and without penalty, and have a final maturity of December 15, 2035. Bimini Capital's BCTII Junior Subordinated Notes are subordinate and junior in right of payment to all present and future senior indebtedness.

The Company's included consolidated financial statements present Bimini Capital's BCTII Junior Subordinated Notes issued to BCTII as a liability and Bimini Capital's investment in the common equity securities of BCTII as an asset (included in other assets). For financial statement purposes, Bimini Capital records payments of interest on the Junior Subordinated Notes issued to BCTII as interest expense.

Secured Note Payable

On October 30, 2019, the Company borrowed $680,000 from a bank. Through October 30, 2024, interest on the note accrued at 4.89%. Thereafter, interest accrues based on the weekly average yield to the United States Treasury securities adjusted to a constant maturity of 5 years, plus 3.25%. The interest rate reset to 7.37% on October 30, 2024 and will reset again on October 30, 2029. The note is secured by a mortgage on the Company’s office building and has a final maturity of October 30, 2039.

The table below presents the future scheduled principal payments on the Company’s long-term debt.

(in thousands)

Last three months of 2026	$ 6
For the years:	
2027	25
2028	27
2029	29
2030	31
After 2030 (cumulative)	27,211
Total	$ 27,329

NOTE 9. COMMON STOCK

There were no issuances of Bimini Capital's Class A Common Stock, Class B Common Stock or Class C Common Stock during the nine months ended September 30, 2026 and 2025.

Stock Repurchase Plans

On March 12, 2026, the Board authorized a share repurchase plan pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934 (the "2026 Repurchase Plan"). Pursuant to the 2026 Repurchase Plan, the Company can purchase shares of its Class A Common Stock from time to time for an aggregate purchase price not to exceed $2.5 million. Share repurchases can be executed through various means, including, without limitation, open market transactions. The 2026 Repurchase Plan does not obligate the Company to purchase any shares. During the nine months ended September 30, 2026, the Company repurchased 83,401 shares under the 2026 Repurchase Plan at an average price of $ 3.00 per share. Subsequent to September 30, 2026, the Company repurchased 20,223 shares under the 2026 Repurchase Plan at an average price of $ 2.98 per share.

NOTE 10. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become involved in various claims and legal actions arising in the ordinary course of business.

As previously disclosed, in April 2020 and November 2021, the Company received demands for payment from Citigroup, Inc. related to the indemnification provisions of various mortgage loan purchase agreements entered into prior to 2007. As of September 30, 2026, no further information has been received related to this matter. The ultimate resolution of this matter cannot presently be determined. However, in management's opinion, the demands are without merit and the likelihood of a material adverse outcome is remote. Accordingly, no provision or accrual has been recorded.

Management is not aware of any other significant reported or unreported contingencies at September 30, 2026.

NOTE 11. INCOME TAXES

The total income tax provision recorded for the nine months ended September 30, 2026 and 2025 was $1.7 million and $0.6 million, respectively, on consolidated pre-tax book income of $4.1 million and $3.0 million, respectively. The total income tax provision recorded for the three months ended September 30, 2026 and 2025 was $0.1 million and $0.4 million, respectively, on consolidated pre-tax book income of $1.3 million and $2.2 million, respectively. The Company uses the discrete-period computation method for determining its income tax provision. The Company's income tax provision is affected by numerous factors, including nondeductible expenses, the projected utilization of net operating loss carryovers ("NOLs") and changes in its deferred tax assets and liabilities and their valuations. The Company's tax provisions are computed using actual annual tax rates applied to actual income to date and include the expected realization of a portion of the tax benefits of federal and state NOLs. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized in future accounting periods. The ultimate realization of net capital loss carryforwards and NOLs is dependent upon the generation of future capital gains and taxable income in periods prior to their expiration. The Company currently provides a valuation allowance against a portion of the deferred tax assets generated by the NOLs since the Company believes that it is more likely than not that some of the benefits will not be realized in the future.

During the three months ended June 30, 2026, the Company reassessed the realizability of its deferred tax assets in connection with the acquisition of TJIM. As a result of this reassessment, the Company recorded an increase in its valuation allowance and a corresponding increase in income tax expense of approximately $1.1 million. The Company will continue to assess the need for, and the amount of, the valuation allowance at each reporting date.

NOTE 12. EARNINGS PER SHARE

Shares of Class B common stock, participating and convertible into Class A common stock, are entitled to receive dividends in an amount equal to the dividends declared on each share of Class A common stock if, and when, authorized and declared by the Board of Directors. Class B common stock is included in the computation of basic EPS using the two-class method, and consequently is presented separately from Class A common stock. Shares of Class B common stock are not included in the computation of diluted Class A EPS as the conditions for conversion to Class A common stock were not met at September 30, 2026 and 2025.

Shares of Class C common stock are not included in the basic EPS computation as these shares do not have participation rights. Shares of Class C common stock are not included in the computation of diluted Class A EPS as the conditions for conversion to Class A common stock were not met at September 30, 2026 and 2025.

Net income attributable to noncontrolling interests is excluded from the numerator in the calculation of both basic and diluted EPS because those earnings are not attributable to the Company's common stockholders. Accordingly, the numerator used in the EPS calculation is net income attributable to the Company's common stockholders after deducting net income attributable to noncontrolling interests.

The table below reconciles the numerator and denominator of EPS for the nine and three months ended September 30, 2026 and 2025.

(in thousands, except per-share information)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Basic and diluted EPS per Class A common share:				
Income attributable to Class A common shares:				
Basic and diluted	$ 2,189	$ 2,410	$ 1,018	$ 1,817
Weighted average common shares:				
Class A common shares outstanding at the balance sheet date	9,922	10,005	9,922	10,005
Effect of weighting	77	-	44	-
Weighted average shares-basic and diluted	9,999	10,005	9,966	10,005
Income per Class A common share:				
Basic and diluted	$ 0.22	$ 0.24	$ 0.10	$ 0.18

(in thousands, except per-share information)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Basic and diluted EPS per Class B common share:				
Income attributable to Class B common shares:				
Basic and diluted	$ 7	$ 8	$ 3	$ 6
Weighted average common shares:				
Class B common shares outstanding at the balance sheet date	32	32	32	32
Weighted average shares-basic and diluted	32	32	32	32
Income per Class B common share:				
Basic and diluted	$ 0.22	$ 0.24	$ 0.10	$ 0.18

NOTE 13. FAIR VALUE

Fair value is 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 (an exit price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of non-performance. Required disclosures include presentation of balance sheet amounts measured at fair value based on inputs the Company uses to derive fair value measurements. These inputs are:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data. These unobservable assumptions reflect the Company’s own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

The Company's MBS and Orchid common stock are recorded at fair value on a recurring basis as of September 30, 2026 and December 31, 2025. When determining fair value measurements, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets.

The Company's MBS are valued using Level 2 valuations, and such valuations currently are determined by the Company based on independent pricing sources and/or third-party broker quotes. Because the price estimates may vary, the Company must make certain judgments and assumptions about the appropriate price to use to calculate the fair values. The Company and the independent pricing sources use various valuation techniques to determine the price of the Company's securities. These techniques include observing the most recent market for like or identical assets (including security coupon, maturity, yield, and prepayment speeds), spread pricing techniques to determine market credit spreads (option adjusted spread, zero volatility spread, spread to the U.S. Treasury curve or spread to a benchmark such as a TBA security), and model driven approaches (the discounted cash flow method, Black Scholes and SABR models which rely upon observable market rates such as the term structure of interest rates and volatility). The appropriate spread pricing method used is based on market convention. The pricing source determines the spread of recently observed trade activity or observable markets for assets similar to those being priced. The spread is then adjusted based on variances in certain characteristics between the market observation and the asset being priced. Those characteristics include: type of asset, the expected life of the asset, the stability and predictability of the expected future cash flows of the asset, whether the coupon of the asset is fixed or adjustable, the guarantor of the security if applicable, the coupon, the maturity, the issuer, size of the underlying loans, year in which the underlying loans were originated, loan to value ratio, state in which the underlying loans reside, credit score of the underlying borrowers and other variables if appropriate. The fair value of the security is determined by using the adjusted spread.

The Company's U.S. Treasury securities that are based on quoted prices for identical instruments in active markets are classified as Level 1 assets. U.S. Treasury securities are considered Level 2 investments when they were issued before the most recent issue and were still outstanding at measurement day.

The Company's futures contracts are Level 1 valuations, as they are exchange-traded instruments and quoted market prices are readily available. Futures contracts are settled daily.

The estimated fair value of cash and cash equivalents, restricted cash, accrued interest receivable, other assets, due from affiliates, repurchase agreements, accrued interest payable and other liabilities generally approximates their carrying values due to the short-term nature of these financial instruments. The Company estimates the fair value of the cash and cash equivalents and restricted cash using Level 1 inputs, and the accrued interest receivable, other assets, due from affiliates, repurchase agreements, accrued interest payable and other liabilities using Level 2 inputs. The fair value of the Company's junior subordinated debt approximates its carrying value. The carrying value is a reasonable estimate of fair value since the instrument carries a floating rate that resets frequently. Further information regarding this instrument is presented in Note 8.

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025:

(in thousands)

	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2026				
Mortgage-backed securities	$ 14,484	$ -	$ 14,484	$ -
U.S. Treasury securities	1,577	-	1,577	-
Orchid Island Capital, Inc. common stock	3,090	3,090	-	-
December 31, 2025				
Mortgage-backed securities	$ 88,929	$ -	$ 88,929	$ -
Orchid Island Capital, Inc. common stock	4,097	4,097	-	-

During the nine months ended September 30, 2026 and 2025, there were no transfers of financial assets or liabilities between Levels 1, 2 or 3.

NOTE 14. SEGMENT INFORMATION

The Company's business is organized into the asset management segment of Bimini Advisors, the asset management segment of TJIM, and the investment portfolio segment, with each representing a reportable segment. Our chief operating decision maker ("CODM") is our Chief Executive Officer. The results of each segment are regularly reviewed by the CODM to assess the performance of the segment and make decisions regarding the allocation of resources to the segments. The primary measure of segment performance used by the CODM is income (loss) before income taxes. Net revenues is also used to assess the financial performance of the segments and for purposes of allocating resources. The accounting policies of our three reportable business segments are the same as those described in Note 1.

The asset management segment of Bimini Advisors includes the investment advisory services provided to Orchid and Royal Palm. As discussed in Note 2, the revenues of this asset management segment consist of management fees, overhead reimbursements and repurchase, clearing and administrative fees received pursuant to a management agreement with Orchid. Total revenues received under this management agreement for the nine and three months ended September 30, 2026 were approximately $15.2 million and $5.0 million, respectively, accounting for approximately 73% and 70% of consolidated revenues. Total revenues received under this management agreement for the nine and three months ended September 30, 2025 were approximately $11.9 million and $4.5 million, respectively, accounting for approximately 68% and 72% of consolidated revenues.

The asset management segment of TJIM includes discretionary and non-discretionary investment advisory services to institutional investors, high-net-worth individuals, retirement plans, sub advisory platforms, and foundations, in all cases attributable only to the operation of TJIM after April 1, 2026. Total revenues received under this segment for the nine and three months ended September 30, 2026 were approximately $3.4 million and $1.7 million, respectively, accounting for approximately 16% and 24% of consolidated revenues.

The investment portfolio segment includes the investment activities conducted by Royal Palm. The investment portfolio segment receives revenue in the form of interest and dividend income on its investments.

The majority of our assets, revenues and expenses are directly associated with each respective business segment and are included in determining each segment's asset balance and operating results. Those assets, revenues and expenses that are not directly attributable to a particular business segment are included in the Corporate function. Corporate operating expenses are allocated to the reportable segments based on their proportional share of total revenues. As a result, the sum of each statement of operations line item for the three reportable segments and the Corporate function is equal to that same statement of operations line item for the consolidated entity. In addition, the sum of the total assets for the three reportable segments and the Corporate function is equal to the total assets of the consolidated entity.

Segment information for the nine and three months ended September 30, 2026 and 2025 is as follows:

(in thousands)

	Asset Management					
Nine Months Ended September 30, 2026	**Bimini Advisors**	**TJIM[4]**	**Investment Portfolio**	**Corporate**	**Eliminations**	**Total**
Advisory services, external customers	$ 15,155	$ 3,421	$ -	$ -	$ -	$ 18,576
Advisory services, other operating segments[1]	101	-	-	-	(101)	-
Interest and dividend income	-	8	2,200	1	-	2,209
Total revenues	15,256	3,429	2,200	1	(101)	20,785
Interest expense[2]	-	-	(983)	(1,512)	-	(2,495)
Net revenues	15,256	3,429	1,217	(1,511)	(101)	18,290
Other income (expense), net	-	14	(1,700)	-	-	(1,686)
Operating expenses	(160)	(2,186)	(64)	(10,095)	-	(12,505)
Allocated expenses[3]	(7,369)	(668)	(2,057)	10,094	-	-
Intercompany expenses[1]	-	-	(101)	-	101	-
Income (loss) before income taxes	$ 7,727	$ 589	$ (2,705)	$ (1,512)	$ -	$ 4,099

(in thousands)

Nine Months Ended September 30, 2025	Asset Management: Bimini Advisors	Asset Management: TJIM[4]	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 11,851	$ -	$ -	$ -	$ -	$ 11,851
Advisory services, other operating segments[1]	131	-	-	-	(131)	-
Interest and dividend income	-	-	5,473	-	-	5,473
Total revenues	11,982	-	5,473	-	(131)	17,324
Interest expense[2]	-	-	(3,655)	(1,622)	-	(5,277)
Net revenues	11,982	-	1,818	(1,622)	(131)	12,047
Other income (expense), net	-	-	(356)	-	-	(356)
Operating expenses	(117)	-	(111)	(8,487)	-	(8,715)
Allocated expenses[3]	(5,806)	-	(2,681)	8,487	-	-
Intercompany expenses[1]	-	-	(131)	-	131	-
Income (loss) before income taxes	$ 6,059	$ -	$ (1,461)	$ (1,622)	$ -	$ 2,976

(in thousands)

Three Months Ended September 30, 2026	Asset Management: Bimini Advisors	Asset Management: TJIM[4]	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 4,951	$ 1,693	$ -	$ -	$ -	$ 6,644
Advisory services, other operating segments[1]	25	-	-	-	(25)	-
Interest and dividend income	-	(2)	419	1	-	418
Total revenues	4,976	1,691	419	1	(25)	7,062
Interest expense[2]	-	-	(141)	(519)	-	(660)
Net revenues	4,976	1,691	278	(518)	(25)	6,402
Other income (expense), net	-	11	(1,205)	(1)	-	(1,195)
Operating expenses	(59)	(1,066)	(18)	(2,789)	-	(3,932)
Allocated expenses[3]	(1,956)	(668)	(166)	2,790	-	-
Intercompany expenses[1]	-	-	(25)	-	25	-
Income (loss) before income taxes	$ 2,961	$ (32)	$ (1,136)	$ (518)	$ -	$ 1,275

(in thousands)

Three Months Ended September 30, 2025	Asset Management: Bimini Advisors	Asset Management: TJIM[4]	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 4,458	$ -	$ -	$ -	$ -	$ 4,458
Advisory services, other operating segments[1]	50	-	-	-	(50)	-
Interest and dividend income	-	-	1,739	-	-	1,739
Total revenues	4,508	-	1,739	-	(50)	6,197
Interest expense[2]	-	-	(1,157)	(544)	-	(1,701)
Net revenues	4,508	-	582	(544)	(50)	4,496
Other income, net	-	-	669	-	-	669
Operating expenses	(44)	-	(46)	(2,882)	-	(2,972)
Allocated expenses[3]	(2,073)	-	(809)	2,882	-	-
Intercompany expenses[1]	-	-	(50)	-	50	-
Income (loss) before income taxes	$ 2,391	$ -	$ 346	$ (544)	$ -	$ 2,193

(1) Includes fees paid by Royal Palm to Bimini Advisors for advisory services at an annualized rate of 1.5% of capital allocated to Royal Palm's MBS portfolio.
(2) Includes interest on repurchase agreements in the Investment Portfolio column and long-term debt in the Corporate column.
(3) Operating expenses are allocated based on each segment's proportional share of total revenues.
(4) The activity and results of operations of TJIM prior to April 1, 2026, the closing date of the TJIM Acquisition, are not included.

Assets in each reportable segment as of September 30, 2026 and December 31, 2025 were as follows:

(in thousands)

	Asset Management				
	Bimini Advisors	TJIM	Investment Portfolio	Corporate	Total
September 30, 2026	$ 2,486	$ 18,617	$ 37,063	6,446	$ 64,612
December 31, 2025	2,617	-	120,751	6,326	129,694

As a result of the TJIM Acquisition, the composition of the Company's business changed both from the perspective of how its capital is deployed and how it reports its results for its operating segments. The TJIM Acquisition required the deployment of a significant portion of the Company's capital, including most of the capital deployed into the investment portfolio prior to the TJIM Acquisition.

NOTE 15. RELATED PARTY TRANSACTIONS

At both September 30, 2026 and December 31, 2025, the Company owned 569,071 shares of Orchid common stock, representing approximately 0.3% of Orchid's outstanding common stock on such dates. The Company received dividends on this common stock investment of approximately $0.5 million and $0.6 million during the nine months ended September 30, 2026 and 2025, respectively, and $0.2 million and $0.2 million during the three months ended September 30, 2026 and 2025, respectively.

Robert Cauley, the Chief Executive Officer and Chairman of the Board of Directors of the Company, also serves as Chief Executive Officer and Chairman of the Board of Directors of Orchid, participates in Orchid's long term incentive compensation plan, and owns shares of common stock of Orchid. In addition, Hunter Haas, the Chief Financial Officer, Chief Investment Officer, Treasurer and member of the Board of Directors of the Company, also serves as Chief Financial Officer, Chief Investment Officer and Secretary of Orchid, is a member of Orchid's Board of Directors, participates in Orchid's long term incentive compensation plan, and owns shares of common stock of Orchid. Robert J. Dwyer, an independent director of the Company, owns shares of common stock of Orchid.

NOTE 16. BUSINESS COMBINATION

On April 1, 2026, the Company acquired 80% of the outstanding equity interests of TJIM See Note 1. TJIM provides discretionary and non-discretionary investment advisory services to institutional investors, high-net-worth individuals, retirement plans, sub advisory platforms, and foundations. The acquisition expands the Company's operations into fee-based investment management and wealth advisory services and is expected to enhance recurring revenues and long-term growth opportunities.

Purchase Consideration

The aggregate purchase consideration was approximately $12.3 million, consisting of the following:

(in thousands)

Cash consideration, including TJIM transaction costs paid by Bimini	$ 12,000
Fair value of deferred consideration	316
Total consideration	$ 12,316

The purchase agreement provides for a deferred payment of approximately $0.3 million payable on the first anniversary of closing together with interest at 5% per annum. The obligation is fixed and not contingent upon future performance or continued employment.

Preliminary Purchase Price Allocation

The following table summarizes the preliminary allocation of purchase consideration to the assets acquired and liabilities assumed as of April 1 2026. The preliminary purchase price allocation is based on management's current estimates and assumptions and remains subject to change during the measurement period as additional information becomes available regarding the final working capital adjustment. Any measurement period adjustments could be material to the Company's consolidated financial statements.

(in thousands)		
Total consideration	$	12,316
Allocated to:		
Cash and cash equivalents		590
Accounts receivable		1,630
Property and equipment, net		19
Other assets		289
Identifiable intangibles, net		9,700
Other liabilities		(1,671)
Redeemable noncontrolling interest		(3,080)
Goodwill	$	4,839

Intangible Assets

Identifiable intangible assets consist of tradenames and client relationships. These intangible assets are being amortized over estimated useful lives ranging from 10 to 15 years. See Note 7.

Goodwill

Goodwill recognized in connection with the acquisition primarily represents expected synergies, the assembled workforce, and other future economic benefits that do not qualify for separate recognition. Goodwill will not be amortized. Instead, goodwill will be tested for impairment at least annually, or more frequently in the case of a triggering event. Goodwill was allocated to the asset management segment of TJIM. Goodwill is expected to be deductible for tax purposes. See Note 7.

Redeemable Noncontrolling Interest

At the acquisition date, the redeemable noncontrolling interest was initially measured at its acquisition-date fair value in accordance with ASC 805. The fair value was determined using a market participant perspective and incorporated significant unobservable inputs, including projected future cash flows, expected growth rates, profitability assumptions, market multiples of comparable companies, and an appropriate discount rate.

Acquisition-Related Costs

The Company incurred acquisition-related costs of approximately $1.6 million and $0.1 million during the nine and three months ended September 30, 2026, respectively, which were recorded within audit, legal and other professional fees in the statement of operations.

Pro Forma Financial Information

TJIM contributed $3.4 million and $1.7 million in revenue and $1.3 million and $0.6 million in earnings, respectively, during the nine and three months ended September 30, 2026. All revenue and earnings attributable to TJIM during the nine-month period relate to the six-month period beginning April 1, 2026, as the TJIM acquisition was completed during the second fiscal quarter of 2026. Accordingly, TJIM did not contribute any revenue or earnings during the three months ended March 31, 2026.

The following unaudited pro forma financial information presents the combined results of operations of the Company and TJIM as if the acquisition had occurred on January 1, 2025:

(in thousands, except per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 22,367	$ 21,897	$ 7,062	$ 7,753
Net income	$ 2,833	$ 3,854	$ 1,135	$ 2,159
Net income attributable to Bimini Capital Management, Inc. stockholders	$ 2,753	$ 3,567	$ 1,135	$ 2,092
Basic and diluted net income per share of:	$ 0.28	$ 0.36	$ 0.11	$ 0.21

The unaudited pro forma information is presented for informational purposes only and does not necessarily reflect the results of operations that would have occurred had the acquisition been completed on the date indicated, nor is it indicative of future operating results.

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

The following discussion of our consolidated financial condition, cash flows, and results of operations should be read in conjunction with the consolidated financial statements and notes to those statements included in Item 1 of this Form 10-Q. The discussion may contain certain forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Risk Factors" in our most recent Annual Report on Form 10-K, our actual results may differ materially from those anticipated in such forward-looking statements. In addition, please see the section "Special Note Regarding Forward-Looking Statements" included at the beginning of this Form 10-Q.

Overview

Bimini Capital Management, Inc., a Maryland corporation ("Bimini Capital" and, collectively with its subsidiaries, the "Company," "we", "us" or "our") is a specialty finance company that operates in three business segments: (i) the asset management segment of Bimini Advisors, LLC (together with Bimini Advisors Holdings, LLC, "Bimini Advisors") (serving as the external manager of Orchid Island Capital, Inc. ("Orchid")), (ii) the asset management segment of Tom Johnson Investment Management, LLC ("TJIM") (providing investment advisory and wealth management services to individuals, high-net-worth families, retirement plans, foundations, and institutions), and (iii) the investment portfolio segment (investing through our wholly owned subsidiary, Royal Palm Capital, LLC (collectively with its wholly owned subsidiaries, "Royal Palm"), in mortgage-backed securities ("MBS") and Orchid common stock in our own portfolio). See Note 14. In the two segments where we invest in MBS, in both cases, the principal and interest payments of these MBS are guaranteed by Fannie Mae, Freddie Mac or the Government National Mortgage Association ("Ginnie Mae" and, collectively with Fannie Mae and Freddie Mac, "GSEs") and are backed primarily by single-family residential mortgage loans. We refer to these types of MBS as "Agency MBS." Our investment strategy focuses on, and our portfolios primarily consist of traditional pass-through ("PT") Agency MBS, such as mortgage pass-through certificates and collateralized mortgage obligations ("CMOs") issued by the GSEs ("PT MBS"); and structured Agency MBS, such as interest only securities ("IOs"), inverse interest only securities ("IIOs") and principal only securities ("POs").

Recent Significant Events

On April 1, 2026, the Company completed the acquisition of an 80% ownership stake in TJIM. As a result of the acquisition, the Company expanded beyond investing in MBS securities solely and into investment management across equity, other areas of the fixed income markets, and balanced strategies for individuals, high-net-worth families, retirement plans, foundations, and institutions. Unless stated otherwise, the financial information contained in this Item 2 regarding the results of operations and financial condition of TJIM take into account only the results of operations, financial condition, and performance of TJIM after April 1, 2026.

The acquisition expanded the nature of the Company's operations and revenue composition. Following the acquisition, a portion of the Company's revenues is derived from recurring management fees based on assets under management ("AUM").

Management believes the acquisition provides:

- expanded recurring revenue streams;
- increased exposure to fee-based advisory businesses;
- enhanced cash flow generation opportunities;
- expanded client relationships; and
- additional long-term growth opportunities in asset and wealth management.

Key Business Metrics

Management monitors several operating metrics with respect to TJIM, including:

- assets under management;
- net client inflows and outflows;
- investment performance;
- fee rates;
- client retention;
- operating margins; and
- compensation ratios.

Regulatory Environment

As a result of the acquisition, the Company became subject to additional regulatory requirements applicable to SEC-registered investment advisers beyond just Bimini Advisors management of Orchid. Compliance with these regulations has increased operating complexity and may increase future compliance, legal, and administrative costs. These regulations govern, among other matters:

- fiduciary duties to clients;
- custody of client assets;
- disclosure obligations;
- advertising and marketing practices;
- valuation procedures;
- conflicts of interest;
- trading practices;
- cybersecurity and recordkeeping;
- anti-money laundering compliance;
- privacy and data protection; and
- compliance policies and procedures.

The Company has adopted compliance policies and supervisory procedures designed to address regulatory obligations and fiduciary standards applicable to registered investment advisers. Failure to comply with applicable laws and regulations could result in examinations, investigations, enforcement actions, censures, fines, reputational harm, restrictions on business activities, or the loss of advisory registrations.

Results of Operations

Described below are the Company's results of operations for the nine and three months ended September 30, 2026, as compared to the nine and three months ended September 30, 2025.

Net Income Summary

Consolidated net income attributable to Bimini stockholders for the nine months ended September 30, 2026 was $2.2 million, or $0.22 basic and diluted income per share of Class A Common Stock, as compared to consolidated net income of $2.4 million, or $0.24 basic and diluted income per share of Class A Common Stock, for the nine months ended September 30, 2025. Consolidated net income attributable to Bimini stockholders for the three months ended September 30, 2026 was $1.0 million, or $0.10 basic and diluted income per share of Class A Common Stock, as compared to consolidated net income of $1.8 million, or $0.18 basic and diluted income per share of Class A Common Stock, for the three months ended September 30, 2025. The components of net income for the nine and three months ended September 30, 2026 and 2025, along with the changes in those components are presented in the table below.

(in thousands)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
Advisory services revenues	$ 18,576	$ 11,851	$ 6,725	$ 6,644	$ 4,458	$ 2,186
Interest and dividend income	2,209	5,473	(3,264)	418	1,739	(1,321)
Interest expense	(2,495)	(5,277)	2,782	(660)	(1,701)	1,041
Net revenues	18,290	12,047	6,243	6,402	4,496	1,906
Other (expense) revenue	(1,686)	(356)	(1,330)	(1,195)	669	(1,864)
Expenses	(12,505)	(8,715)	(3,790)	(3,932)	(2,972)	(960)
Net income before income tax provision	4,099	2,976	1,123	1,275	2,193	(918)
Income tax provision	1,665	558	1,107	140	370	(230)
Net income	2,434	2,418	16	1,135	1,823	(688)
Less: income (loss) attributable to noncontrolling interests	238	-	238	114	-	114
Net income attributable to Bimini Capital Management, Inc. stockholders	$ 2,196	$ 2,418	(222)	$ 1,021	$ 1,823	(802)

Segment Information

Segment information for the nine and three months ended September 30, 2026 and 2025 is as follows:

(in thousands)

	Asset Management					
Nine Months Ended September 30, 2026	Bimini Advisors	TJIM(4)	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 15,155	$ 3,421	$ -	$ -	$ -	$ 18,576
Advisory services, other operating segments(1)	101	-	-	-	(101)	-
Interest and dividend income	-	8	2,200	1	-	2,209
Total revenues	15,256	3,429	2,200	1	(101)	20,785
Interest expense(2)	-	-	(983)	(1,512)	-	(2,495)
Net revenues	15,256	3,429	1,217	(1,511)	(101)	18,290
Other income (expense), net	-	14	(1,700)	-	-	(1,686)
Operating expenses	(160)	(2,186)	(64)	(10,095)	-	(12,505)
Allocated expenses(3)	(7,369)	(668)	(2,057)	10,094	-	-
Intercompany expenses(1)	-	-	(101)	-	101	-
Income (loss) before income taxes	$ 7,727	$ 589	$ (2,705)	$ (1,512)	$ -	$ 4,099

(in thousands)

	Asset Management					
Nine Months Ended September 30, 2025	Bimini Advisors	TJIM(4)	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 11,851	$ -	$ -	$ -	$ -	$ 11,851
Advisory services, other operating segments(1)	131	-	-	-	(131)	-
Interest and dividend income	-	-	5,473	-	-	5,473
Total revenues	11,982	-	5,473	-	(131)	17,324
Interest expense(2)	-	-	(3,655)	(1,622)	-	(5,277)
Net revenues	11,982	-	1,818	(1,622)	(131)	12,047
Other income (expense), net	-	-	(356)	-	-	(356)
Operating expenses	(117)	-	(111)	(8,487)	-	(8,715)
Allocated expenses(3)	(5,806)	-	(2,681)	8,487	-	-
Intercompany expenses(1)	-	-	(131)	-	131	-
Income (loss) before income taxes	$ 6,059	$ -	$ (1,461)	$ (1,622)	$ -	$ 2,976

(in thousands)

Three Months Ended September 30, 2026	Asset Management: Bimini Advisors	Asset Management: TJIM[4]	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 4,951	$ 1,693	$ -	$ -	$ -	$ 6,644
Advisory services, other operating segments[1]	25	-	-	-	(25)	-
Interest and dividend income	-	(2)	419	1	-	418
Total revenues	4,976	1,691	419	1	(25)	7,062
Interest expense[2]	-	-	(141)	(519)	-	(660)
Net revenues	4,976	1,691	278	(518)	(25)	6,402
Other income (expense), net	-	11	(1,205)	(1)	-	(1,195)
Operating expenses	(59)	(1,066)	(18)	(2,789)	-	(3,932)
Allocated expenses[3]	(1,956)	(668)	(166)	2,790	-	-
Intercompany expenses[1]	-	-	(25)	-	25	-
Income (loss) before income taxes	$ 2,961	$ (32)	$ (1,136)	$ (518)	$ -	$ 1,275

(in thousands)

Three Months Ended September 30, 2025	Asset Management: Bimini Advisors	Asset Management: TJIM[4]	Investment Portfolio	Corporate	Eliminations	Total
Advisory services, external customers	$ 4,458	$ -	$ -	$ -	$ -	$ 4,458
Advisory services, other operating segments[1]	50	-	-	-	(50)	-
Interest and dividend income	-	-	1,739	-	-	1,739
Total revenues	4,508	-	1,739	-	(50)	6,197
Interest expense[2]	-	-	(1,157)	(544)	-	(1,701)
Net revenues	4,508	-	582	(544)	(50)	4,496
Other income, net	-	-	669	-	-	669
Operating expenses	(44)	-	(46)	(2,882)	-	(2,972)
Allocated expenses[3]	(2,073)	-	(809)	2,882	-	-
Intercompany expenses[1]	-	-	(50)	-	50	-
Income (loss) before income taxes	$ 2,391	$ -	$ 346	$ (544)	$ -	$ 2,193

(1) Includes fees paid by Royal Palm to Bimini Advisors for advisory services at an annualized rate of 1.5% of capital allocated to Royal Palm's MBS portfolio.
(2) Includes interest expense on repurchase agreements in the Investment Portfolio column and long-term debt in the Corporate column.
(3) Operating expenses are allocated based on each segment's proportional share of total revenues.
(4) The activity and results of operations of TJIM prior to April 1, 2026, the closing date of the TJIM Acquisition, are not included.

Assets in each reportable segment were as follows:

(in thousands)

	Asset Management: Bimini Advisors	Asset Management: TJIM	Investment Portfolio	Corporate	Total
September 30, 2026	$ 2,486	$ 18,617	$ 37,063	6,446	$ 64,612
December 31, 2025	2,617	-	120,751	6,326	129,694

Asset Management Segment - Bimini Advisors/Orchid Island

Advisory Services Revenue

Advisory services revenue consists of management fees and overhead reimbursements charged to Orchid for the management of its portfolio pursuant to the terms of a management agreement. We receive a monthly management fee in the amount of:

- One-twelfth of 1.50% of the first $250 million of Orchid's month-end equity, as defined in the management agreement,
- One-twelfth of 1.25% of Orchid's month-end equity that is greater than $250 million and less than or equal to $500 million, and
- One-twelfth of 1.00% of Orchid's month-end equity that is greater than $500 million.

The Company also provides certain repurchase agreement trading, clearing and administrative services to Orchid. In consideration for such services, Orchid pays the following fees to the Company:

- a daily fee equal to the outstanding principal balance of repurchase agreement funding in place as of the end of such day multiplied by 1.5 basis points for the amount of aggregate outstanding principal balance less than or equal to $5 billion, and multiplied by 1.0 basis point for any amount of aggregate outstanding principal balance in excess of $5 billion, and
- a fee for the clearing and operational services provided by personnel of the Manager equal to $10,000 per month.

In addition, Orchid is obligated to reimburse us for any direct expenses incurred on its behalf and to pay to us an amount equal to Orchid's pro rata portion of certain overhead costs set forth in the management agreement. The management agreement has been renewed through February 2027 and provides for automatic one-year extension options. Should Orchid terminate the management agreement without cause, it will be obligated to pay to us a termination fee equal to three times the average annual management fee, as defined in the management agreement, before or on the last day of the applicable renewal term.

The following table summarizes the advisory services revenue received from Orchid in each quarter and during 2026 and 2025.

(in thousands)

				Advisory Services			
Three Months Ended	**Average Orchid MBS**	**Average Orchid Equity**	**Average Orchid Repurchase Agreements**	**Management Fee**	**Overhead Allocation**	**Repurchase, Clearing and Administrative Fees**	**Total**
September 30, 2026	$ 11,103,616	$ 1,443,023	$ 10,724,316	$ 4,071	$ 510	$ 370	$ 4,951
June 30, 2026	11,439,353	1,442,960	10,975,819	4,124	585	369	5,078
March 31, 2026	10,983,600	1,365,471	10,490,095	3,988	786	353	5,127
December 31, 2025	9,492,369	1,233,957	9,061,222	3,700	705	319	4,724
September 30, 2025	7,674,720	1,108,307	7,331,428	3,294	887	277	4,458
June 30, 2025	6,865,727	1,012,986	6,537,260	2,982	582	247	3,811
March 31, 2025	5,995,702	902,590	5,722,092	2,747	608	227	3,582
Nine Months Ended							
September 30, 2026	$ 11,175,523	$ 1,417,151	$ 10,730,077	$ 12,183	$ 1,881	$ 1,092	$ 15,156
September 30, 2025	6,845,383	1,007,961	6,530,260	9,023	2,077	751	11,851

Asset Management Segment – TJIM

TJIM is an SEC-registered investment adviser managing over $1.7 billion in regulatory assets under management across equity, fixed income, and balanced strategies. Operating as a fiduciary, TJIM provides discretionary portfolio management centered on fundamental research, high-quality security selection, and continuous risk oversight.

TJIM delivers investment strategies through two primary operational channels. For direct advisory clients - including individuals, high-net-worth families, retirement plans, foundations, and institutions - TJIM constructs customized Separately Managed Accounts ("SMAs") paired with dedicated personal service. TJIM also serves as a trusted third-party asset manager on many of the industry's prominent nationally distributed platforms, enabling financial advisors at broker-dealers, banks, insurance companies, and independent RIAs to complement their existing practices with TJIM's time-tested strategies.

TJIM is compensated primarily through asset-based management fees calculated as a percentage of assets under management. Management fees are generally calculated as a percentage of AUM and are affected by market conditions, investor inflows and outflows, investment performance, and client retention. Assets under management are influenced by market appreciation or depreciation, investor flows, investment performance, and changes in client allocations. Because advisory revenues are generally based on the value of client assets, declines in financial markets or sustained client withdrawals may adversely affect the Company's revenues, operating margins, cash flows, and results of operations.

TJIM competes with a broad range of financial institutions and investment managers, including registered investment advisers, alternative asset managers, wealth management firms, banks, broker-dealers, insurance companies, and other financial services providers. Competition is based on investment performance, reputation, service quality, distribution capabilities, personnel, product offerings, fees, and client relationships. TJIM's business is dependent on the experience, judgment, and continued service of key investment professionals, portfolio managers, executives, and relationship personnel. The loss of key personnel or an inability to attract and retain qualified professionals could adversely affect investment performance, client retention, and future growth.

The following table presents selected unaudited historical operating information of TJIM, including advisory AUM and advisory services revenue, for the periods indicated, including periods prior to April 1, 2026, the closing date of the TJIM Acquisition. This information is presented solely to provide investors with additional context regarding the historical operations of the acquired business. The information is not intended to represent, and should not be considered indicative of, the results of operations or financial position that would have been achieved had the acquisition occurred on an earlier date, nor is it necessarily indicative of the future results of the combined company.

(in thousands)

	Ending Assets Under Management				Fee Revenue			
Three Months Ended	**Advisory Programs**	**Sub-advisor Programs**	**Model Programs**	**Total**	**Advisory Programs**	**Sub-advisor Programs**	**Model Programs**	**Total**
September 30, 2026	$ 665,180	$ 197,063	$ 840,684	$ 1,702,927	$ 861	$ 171	$ 661	$ 1,693
June 30, 2026	665,996	193,836	870,965	1,730,797	905	152	671	1,728
March 31, 2026	578,611	178,367	876,008	1,632,986	751	156	675	1,582
December 31, 2025	564,931	191,473	893,286	1,649,690	744	161	681	1,586
September 30, 2025	552,213	189,464	914,322	1,655,999	723	152	681	1,556
June 30, 2025	517,635	181,779	902,819	1,602,233	677	151	697	1,525
March 31, 2025	535,911	184,703	911,464	1,632,078	644	158	688	1,490
Nine Months Ended								
September 30, 2026	$ 665,180	$ 197,063	$ 840,684	$ 1,702,927	$ 2,517	$ 479	$ 2,007	$ 5,003
September 30, 2025	552,213	189,464	914,322	1,655,999	2,044	461	2,066	4,571

Investment Portfolio Segment

GAAP and Non-GAAP Reconciliation - Economic Interest Expense and Economic Net Interest Income

We use derivative instruments, primarily U.S. Treasury Note ("T-Note") and SOFR futures contracts to hedge a portion of the interest rate risk on repurchase agreements in a rising rate environment.

We have not designated our derivative financial instruments as hedge accounting relationships, but rather hold them for economic hedging purposes. Changes in fair value of these instruments are presented in a separate line item in our consolidated statements of operations and not included in interest expense. As such, for financial reporting purposes, interest expense and cost of funds are not impacted by the fluctuation in value of the derivative instruments.

For the purpose of computing economic net interest income and ratios relating to cost of funds measures, GAAP interest expense, as reflected in our consolidated statements of operations, is adjusted to reflect the realized and unrealized gains or losses on certain derivative instruments the Company uses that pertain to each period presented. We believe that adjusting our GAAP interest expense for the periods presented by the gains or losses on these derivative instruments may not accurately reflect our economic interest expense for these periods. The reason is that these derivative instruments may cover periods that extend into the future, not just the current period. Any realized or unrealized gains or losses on the derivative instruments reflect the change in market value of the instrument caused by changes in underlying interest rates applicable to the term covered by the instrument, which changes are reflective of the future periods covered by the derivative instrument, not just the current period.

For each period presented, we have combined the effects of the derivative financial instruments in place for the respective period with the actual interest expense incurred on repurchase agreements to reflect total economic interest expense for the applicable period. Interest expense, including the effect of derivative instruments for the period, is referred to as economic interest expense. Net interest income, when calculated to include the effect of derivative instruments for the period, is referred to as economic net interest income. This presentation includes gains or losses on all contracts in effect during the reporting period, covering the current period as well as periods in the future.

We believe that economic interest expense and economic net interest income provide meaningful information to consider, in addition to the financial information prepared in accordance with GAAP. The non-GAAP measures help management to evaluate its financial position and performance without the effects of certain transactions and GAAP adjustments that are not necessarily indicative of our current investment portfolio or operations. The gains or losses on derivative instruments presented in our consolidated statements of operations are not necessarily representative of the total interest expense that we will ultimately realize. This is because as interest rates move up or down in the future, the gains or losses we ultimately realize, and which will affect our total interest expense in future periods, may differ from the unrealized gains or losses recognized as of the reporting date.

Our presentation of the economic value of our hedging strategy has important limitations. First, other market participants may calculate economic interest expense and economic net interest income differently than the way we calculate them. Second, while we believe that the calculation of the economic value of our hedging strategy described above helps to present our financial position and performance, it may be of limited usefulness as an analytical tool. Therefore, the economic value of our investment strategy should not be viewed in isolation and is not a substitute for interest expense and net interest income computed in accordance with GAAP.

The tables below present a reconciliation of the adjustments discussed above to interest expense shown for each period relative to our derivative instruments, and the consolidated statements of operations line item, gains (losses) on derivative instruments, calculated in accordance with GAAP for each quarter in 2026 and 2025.

Gains (Losses) on Derivative Instruments

(in thousands)

			Funding Hedges	
Three Months Ended	**Consolidated Statement of Operations (GAAP)**	**TBA Securities**	**Attributed to Current Period (Non-GAAP)**	**Attributed to Future Periods (Non-GAAP)**
September 30, 2026	$ 453	$ -	82	370
June 30, 2026	95	-	81	14
March 31, 2026	178	(55)	76	157
December 31, 2025	36	-	109	(73)
September 30, 2025	(170)	-	108	(278)
June 30, 2025	(431)	-	112	(543)
March 31, 2025	(1,369)	-	106	(1,475)
Nine Months Ended				
September 30, 2026	$ 726	$ (55)	$ 239	$ 541
September 30, 2025	(1,970)	-	326	(2,296)

Economic Net Portfolio Interest Income

(in thousands)

Three Months Ended	GAAP Interest Income	Interest Expense on Repurchase Agreements			Net Portfolio Interest Income	
		GAAP Basis	Effect of Non-GAAP Hedges(1)	Economic Basis(2)	GAAP Basis	Economic Basis(3)
September 30, 2026	$ 247	$ 141	$ (82)	$ 59	$ 106	$ 188
June 30, 2026	251	145	(81)	64	106	187
March 31, 2026	1,164	697	(76)	621	467	543
December 31, 2025	1,451	1,022	(109)	913	429	538
September 30, 2025	1,534	1,157	(108)	1,049	377	485
June 30, 2025	1,582	1,191	(112)	1,079	391	503
March 31, 2025	1,742	1,307	(106)	1,201	435	541
Nine Months Ended						
September 30, 2026	$ 1,662	$ 983	$ (239)	$ 744	$ 679	$ 918
September 30, 2025	4,858	3,655	(326)	3,329	1,203	1,529

(1) Reflects the effect of derivative instrument hedges for only the period presented.
(2) Calculated by subtracting the effect of derivative instrument hedges attributed to the period presented from GAAP interest expense.
(3) Calculated by adding the effect of derivative instrument hedges attributed to the period presented to GAAP net portfolio interest income.

Net Portfolio Interest Income

In anticipation of the closing of the TJIM Acquisition, we sold a significant portion of the MBS portfolio in the first quarter of 2026. Our outstanding balances under repurchase agreement borrowings declined proportionately as well. As a result, many figures discussed below appear distorted when simple average balances are calculated, such as average MBS held and average outstanding balances under repurchase agreement borrowings. Further, since the sales occurred late in the quarter, interest income and interest expense amounts reflect balances of both assets and borrowing in place for the majority of the quarter. The combination of these two factors led to certain metrics such as our yield on average MBS and cost of funds measures to appear higher than they would have been had these large sales not occurred, or occurred earlier in the quarter. These factors should be kept in mind when reading the discussion of our investment portfolio segment results for the quarter.

During the nine months ended September 30, 2026, we generated $0.7 million of net portfolio interest income, consisting of $1.7 million of interest income from MBS assets offset by $1.0 million of interest expense on repurchase liabilities. For the comparable period ended September 30, 2025, we generated $1.2 million of net portfolio interest income, consisting of $4.9 million of interest income from MBS assets offset by $3.7 million of interest expense on repurchase liabilities. The $3.2 million decrease in interest income was due to an $86.1 million decrease in average MBS holdings, partially offset by a 226 basis point ("bp") increase in yields. There was a $2.7 million decrease in interest expense for the nine months ended September 30, 2026 that was due to an $82.0 million decrease in average repurchase liabilities, partially offset by a 43 bp increase in cost of funds.

During the three months ended September 30, 2026, we generated $0.1 million of net portfolio interest income, consisting of $0.2 million of interest income from MBS assets offset by $0.1 million of interest expense on repurchase liabilities. For the comparable period ended September 30, 2025, we generated $0.4 million of net portfolio interest income, consisting of $1.5 million of interest income from MBS assets offset by $1.2 million of interest expense on repurchase liabilities. The $1.3 million decrease in interest income was due to a $90.8 million decrease in average MBS holdings, partially offset by a 70 bp increase in yields. There was a $1.0 million decrease in interest expense for the three months ended September 30, 2026 that was due to an $86.3 million decrease in average repurchase liabilities, combined with a 70 bp decrease in cost of funds.

Our economic interest expense on repurchase liabilities for the nine months ended September 30, 2026 and 2025 was $0.7 million and $3.3 million, respectively, resulting in $0.9 million and $1.5 million of economic net portfolio interest income, respectively. Our economic interest expense on repurchase liabilities for the three months ended September 30, 2026 and 2025 was $0.1 million and $1.0 million, respectively, resulting in $0.2 million and $0.5 million of economic net portfolio interest income, respectively.

The tables below provide information on our portfolio average balances, interest income, yield on assets, average repurchase agreement balances, interest expense, cost of funds, net interest income and net interest rate spread for the nine months ended September 30, 2026 and 2025 and each quarter in 2026 and 2025 on both a GAAP and economic basis.

($ in thousands)

Three Months Ended	Average MBS Held[1]	Interest Income	Yield on Average MBS	Average Repurchase Agreements[1]	Interest Expense GAAP Basis	Interest Expense Economic Basis[2]	Average Cost of Funds GAAP Basis	Average Cost of Funds Economic Basis[3]
September 30, 2026	$ 15,234	$ 247	6.49%	$ 14,503	$ 141	$ 59	3.89%	1.63%
June 30, 2026	16,025	251	6.27%	15,109	145	64	3.83%	1.68%
March 31, 2026	52,497	1,164	8.87%	50,255	697	621	5.55%	4.94%
December 31, 2025	96,668	1,451	6.00%	92,640	1,022	913	4.41%	3.94%
September 30, 2025	106,016	1,534	5.79%	100,848	1,157	1,049	4.59%	4.16%
June 30, 2025	114,294	1,582	5.54%	108,626	1,191	1,079	4.39%	3.97%
March 31, 2025	121,657	1,742	5.73%	116,346	1,307	1,201	4.49%	4.13%
Nine Months Ended								
September 30, 2026	$ 27,919	$ 1,662	7.94%	$ 26,622	$ 983	$ 744	4.92%	3.72%
September 30, 2025	113,989	4,858	5.68%	108,607	3,655	3,329	4.49%	4.09%

($ in thousands)

Three Months Ended	Net Portfolio Interest Income GAAP Basis	Net Portfolio Interest Income Economic Basis[2]	Net Portfolio Interest Spread GAAP Basis	Net Portfolio Interest Spread Economic Basis[4]
September 30, 2026	$ 106	$ 188	2.60%	4.86%
June 30, 2026	106	187	2.44%	4.59%
March 31, 2026	467	543	3.32%	3.93%
December 31, 2025	429	538	1.59%	2.06%
September 30, 2025	377	485	1.20%	1.63%
June 30, 2025	391	503	1.15%	1.57%
March 31, 2025	435	541	1.24%	1.60%
Nine Months Ended				
September 30, 2026	$ 679	$ 918	3.02%	4.22%
September 30, 2025	1,203	1,529	1.19%	1.59%

(1) Portfolio yields and costs of borrowings presented in the tables above are calculated based on the average balances of the underlying investment portfolio/repurchase agreement balances and are annualized for the periods presented. Average balances for quarterly periods are calculated using two data points, the beginning and ending balances.

(2) Economic interest expense and economic net interest income presented in the tables above include the effect of derivative instrument hedges for only the period presented.

(3) Represents interest cost of our borrowings and the effect of derivative instrument hedges attributed to the period related to hedging activities divided by average repurchase agreements.

(4) Economic net interest spread is calculated by subtracting average economic cost of funds from yield on average MBS.

Cost of Funds

Since all of our repurchase agreements are short-term, changes in market rates have a more immediate impact on our interest expense. Our average cost of funds calculated on a GAAP basis was 14 bps above the average one-month SOFR and 21 bps above the average six-month SOFR for the quarter ended September 30, 2026. Our average economic cost of funds was 212 bps below the average one-month SOFR and 205 bps below the average six-month SOFR for the quarter ended September 30, 2026. The average term to maturity of the outstanding repurchase agreements was 18 days at September 30, 2026, compared to 31 days at December 31, 2025. The tables below present the average outstanding balances under our repurchase agreements, interest expense and average economic cost of funds, and average one-month and six-month SOFR rates for each quarter in 2026 and 2025, on both a GAAP and economic basis.

Three Months Ended	Average SOFR		Average GAAP Cost of Funds Relative to Average		Average Economic Cost of Funds Relative to Average	
	One-Month	Six-Month	One-Month SOFR	Six-Month SOFR	One-Month SOFR	Six-Month SOFR
September 30, 2026	3.75%	3.68%	0.14%	0.21%	(2.12)%	(2.05)%
June 30, 2026	3.63%	3.67%	0.20%	0.16%	(1.95)%	(1.99)%
March 31, 2026	3.65%	3.86%	1.90%	1.69%	1.29%	1.08%
December 31, 2025	3.79%	4.20%	0.62%	0.21%	0.15%	(0.26)%
September 30, 2025	4.31%	4.37%	0.28%	0.22%	(0.15)%	(0.21)%
June 30, 2025	4.32%	4.37%	0.07%	0.02%	(0.35)%	(0.40)%
March 31, 2025	4.33%	4.55%	0.16%	(0.06)%	(0.20)%	(0.42)%
Nine Months Ended						
September 30, 2026	3.68%	3.74%	1.24%	1.18%	0.04%	(0.02)%
September 30, 2025	4.32%	4.43%	0.17%	0.06%	(0.23)%	(0.34)%

Dividend Income from Orchid

We owned 569,071 shares of Orchid common stock throughout each of the nine months ended September 30, 2026 and 2025. Orchid paid total dividends of $0.96 per share and $1.08 per share during the nine months ended September 30, 2026 and 2025, respectively, resulting in dividend income of approximately $0.5 million and $0.6 million, respectively. We owned 569,071 shares of Orchid common stock throughout each of the three months ended September 30, 2026 and 2025. Orchid paid total dividends of $0.30 per share and $0.36 per share during the three months ended September 30, 2026 and 2025, respectively, resulting in dividend income of approximately $0.2 million in each period.

Long-Term Debt

Junior Subordinated Debt

The junior subordinated debt securities paid interest at a floating rate. The interest rate is the CME Term SOFR on the applicable reset date plus the tenor spread adjustment of 0.26161% plus the coupon spread of 3.50%. Interest expense on our junior subordinated debt securities was $1.5 million and $1.6 million for the nine months ended September 30, 2026 and 2025, respectively. The average rate of interest paid for the nine months ended September 30, 2026 was 7.52% compared to 8.07% for the comparable period in 2025. Interest expense on our junior subordinated debt securities was $0.5 million and $0.5 million for the three months ended September 30, 2026 and 2025, respectively. The average rate of interest paid for the three months ended September 30, 2026 was 7.65% compared to 8.03% for the comparable period in 2025.

Note Payable

On October 30, 2019, the Company borrowed $680,000 from a bank which is secured by a mortgage on the Company's office building and has a final maturity of October 30, 2039. Through October 30, 2024, interest accrued on the note at 4.89%. Thereafter, interest accrues based on the weekly average yield to the United States Treasury securities adjusted to a constant maturity of 5 years, plus 3.25%. The interest rate reset to 7.37% on October 30, 2024 and will reset again on October 30, 2029.

Gains or Losses and Other Income - Investment Portfolio Segment

The table below presents our gains or losses and other income for the nine and three months ended September 30, 2026 and 2025.

(in thousands)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
Realized losses on sales of MBS	$ (372)	$ (178)	$ (194)	$ -	$ -	$ -
Unrealized (losses) gains on MBS	(1,034)	2,230	(3,264)	(772)	839	(1,611)
Total (losses) gains on MBS	(1,406)	2,052	(3,458)	(772)	839	(1,611)
Gains (losses) on derivative instruments	726	(1,970)	2,696	452	(170)	622
Unrealized losses on Orchid Island Capital, Inc. common stock	(1,007)	(438)	(569)	(876)	-	(876)
Totals	$ (1,687)	(356)	(1,331)	(1,196)	669	(1,865)

We invest in MBS with the intent to earn net income from the realized yield on those assets over their related funding and hedging costs, and not for the purpose of making short term gains from trading in these securities. However, we have sold, and may sell in the future, existing assets to acquire new assets, which our management believes might have higher risk-adjusted returns in light of current or anticipated interest rates, federal government programs or general economic conditions or to manage our balance sheet as part of our asset/liability management strategy. During the nine months ended September 30, 2026 and 2025, we received proceeds totaling $68.6 million and $9.8 million, respectively, from the sales of MBS.

The fair value of our MBS portfolio and derivative instruments, and the gains (losses) reported on those financial instruments, are driven in part by changes in yields and interest rates, the spreads that MBS trade relative to comparable duration U.S. Treasuries or swaps, as well as varying levels of demand for MBS, which affect the pricing of the securities in our portfolio. The unrealized gains and losses on MBS may also include the premium lost as a result of prepayments on the underlying mortgages, decreasing unrealized gains or increasing unrealized losses as prepayment speeds or premiums increase. To the extent MBS are carried at a discount to par, unrealized gains or losses on MBS would also include discount accreted as a result of prepayments on the underlying mortgages, increasing unrealized gains or decreasing unrealized losses as speeds on discounts increase. Gains and losses on interest rate futures contracts are affected by changes in implied forward rates during the reporting period. The table below presents historical interest rate data as of the end of each quarter during 2026 and 2025.

	5 Year U.S. Treasury Rate[1]	10 Year U.S. Treasury Rate[1]	15 Year Fixed-Rate Mortgage Rate[2]	30 Year Fixed-Rate Mortgage Rate[2]	Three Month SOFR[3]
September 30, 2026	5.09%	5.29%	6.60%	7.28%	3.68%
June 30, 2026	4.19%	4.42%	5.84%	6.49%	3.63%
March 31, 2026	3.95%	4.31%	5.75%	6.38%	3.68%
December 31, 2025	3.72%	4.16%	5.44%	6.15%	4.01%
September 30, 2025	3.73%	4.15%	5.49%	6.30%	4.35%
June 30, 2025	3.80%	4.23%	5.89%	6.77%	4.34%
March 31, 2025	3.98%	4.25%	5.89%	6.65%	4.35%

(1) Historical 5 Year and 10 Year U.S. Treasury Rates are obtained from quoted end of day prices on the Chicago Board Options Exchange.
(2) Historical 15 Year and 30 Year Fixed Rate Mortgage Rates are obtained from Freddie Mac's Primary Mortgage Market Survey.
(3) Historical SOFR is obtained from the Federal Reserve Bank of New York. The SOFR averages are compounded averages of the SOFR over rolling 30- and 180-day periods.

Operating Expenses

For the nine and three months ended September 30, 2026, our total operating expenses were approximately $12.5 million and $3.9 million, respectively, compared to $8.7 million and $3.0 million for the nine and three months ended September 30, 2025, respectively, as detailed in the table below.

(in thousands)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
Compensation and related benefits	$ 7,234	$ 5,567	$ 1,667	$ 2,568	$ 1,795	$ 773
Direct advisory services costs	1,184	1,272	(88)	321	485	(164)
Audit, legal and other professional fees	752	677	75	260	186	74
Acquisition related expenses	1,627	175	1,452	111	175	(64)
Directors' fees and liability insurance	664	579	85	258	189	69
Amortization of intangible assets	340	-	340	170	-	170
Administrative and other expenses	704	444	260	245	140	105
	$ 12,505	$ 8,714	$ 3,791	$ 3,933	$ 2,970	$ 963

Approximately $1.3 million and $0.7 million of the increase in compensation and related benefits for the nine- and three-month periods ended September 30, 2026, respectively, was attributable to additional personnel associated with TJIM. Amortization expense for the nine- and three-month periods ended September 30, 2026, primarily reflects the amortization of identifiable intangible assets recognized in connection with the TJIM Acquisition.

Income Tax Provision

We recorded income tax provisions for the nine months ended September 30, 2026 and 2025 of approximately $1.7 million and $0.6 million, respectively, on consolidated pre-tax book income of $4.1 million and $3.0 million, respectively. We recorded income tax provisions for the three months ended September 30, 2026 and 2025 of approximately $0.1 million and $0.4 million, respectively, on consolidated pre-tax book income of $1.3 million and $2.2 million, respectively. The Company uses the discrete-period computation method for determining its income tax provision. Our income tax provision is affected by numerous factors, including non-deductible expenses, the projected utilization of net operating loss carryovers and changes in our deferred tax assets and liabilities and their valuations, and can result in significant variations in the customary relationship between pretax income and income tax expense. During the three months ended June 30, 2026, the Company reassessed the realizability of its deferred tax assets in connection with the acquisition of TJIM. As a result of this reassessment, the Company recorded an increase in its valuation allowance and a corresponding increase in income tax expense of approximately $1.1 million.

Financial Condition:

Mortgage-Backed Securities - Investment Portfolio Segment

As of September 30, 2026, our MBS portfolio consisted of $14.5 million of agency or government MBS at fair value and had a weighted average coupon of 5.34%. During the nine months ended September 30, 2026, we received principal repayments of $4.4 million compared to $10.2 million for the comparable period ended September 30, 2025. The average prepayment speeds for the quarters ended September 30, 2026 and 2025 were 10.2% and 16.8%, respectively.

The following table presents the three-month constant prepayment rate (“CPR”) experienced on our portfolio, on an annualized basis, for the quarterly periods presented. CPR is a method of expressing the prepayment rate for a mortgage pool that assumes that a constant fraction of the remaining principal is prepaid each month or year. Specifically, the CPR in the chart below represents the three-month prepayment rate of the securities in the respective asset category.

Three Months Ended	Total Portfolio (%)
September 30, 2026	10.2
June 30, 2026	8.1
March 31, 2026	2.9
December 31, 2025	16.6
September 30, 2025	16.8
June 30, 2025	9.9
March 31, 2025	7.3

The following tables summarize certain characteristics of our MBS portfolio as of September 30, 2026 and December 31, 2025:

($ in thousands)

	Fair Value	Weighted Average Coupon	Weighted Average Maturity in Months	Longest Maturity
September 30, 2026	$ 14,484	5.34%	316	5/1/2053
December 31, 2025	$ 88,929	5.73%	331	8/1/2054

($ in thousands)

	September 30, 2026		December 31, 2025	
Agency	Fair Value	Percentage of Entire Portfolio	Fair Value	Percentage of Entire Portfolio
Fannie Mae	$ 2,137	14.8%	$ 21,924	24.7%
Freddie Mac	12,347	85.2%	67,005	75.3%
Total Portfolio	$ 14,484	100.0%	$ 88,929	100.0%

As of September 30, 2026, the Company's portfolio had an effective duration of 4.431, indicating that an interest rate increase of 1.0% would be expected to cause a 4.431% decrease in the value of the MBS in our investment portfolio. As of December 31, 2025, the Company's portfolio had an effective duration of 2.229, indicating that an interest rate increase of 1.0% would be expected to cause a 2.229% decrease in the value of the MBS in our investment portfolio. These figures do not include the effect of our funding cost hedges. Effective duration quotes for individual investments are obtained from The Yield Book, Inc.

Our portfolio of PT MBS is typically comprised of adjustable-rate MBS, fixed-rate MBS and hybrid adjustable-rate MBS. We generally seek to acquire low duration assets that offer high levels of protection from mortgage prepayments provided that they are reasonably priced by the market. The stated contractual final maturity of the mortgage loans underlying our portfolio of PT MBS generally ranges up to 30 years. However, the effect of prepayments of the underlying mortgage loans tends to shorten the resulting cash flows from our investments substantially. Prepayments occur for various reasons, including refinancing of underlying mortgages, loan payoffs in connection with home sales, and borrowers paying more than their scheduled loan payments, which accelerates the amortization of the loans.

The duration of our IO and IIO portfolios will vary greatly depending on the structural features of the securities. While prepayment activity will always affect the cash flows associated with the securities, the interest only nature of IO’s may cause their durations to become extremely negative when prepayments are high, and less negative when prepayments are low. Prepayments affect the duration of IIO’s similarly, but the floating rate nature of the coupon of IIOs (which has inverse relationship to their reference index) causes their price movements - and model duration - to be affected by changes in both prepayments and their reference index - both current and anticipated levels. As a result, the duration of IIO securities will also vary greatly.

Prepayments on the loans underlying our MBS can alter the timing of the cash flows received by us. As a result, we gauge the interest rate sensitivity of our assets by measuring their effective duration. While modified duration measures the price sensitivity of a bond to movements in interest rates, effective duration captures both the movement in interest rates and the fact that cash flows to a mortgage related security are altered when interest rates move. Accordingly, when the contract interest rate on a mortgage loan is substantially above prevailing interest rates in the market, the effective duration of securities collateralized by such loans can be quite low because of expected prepayments.

We face the risk that the market value of our MBS assets will increase or decrease at different rates than those of our hedging instruments. Accordingly, we assess our interest rate risk by estimating the duration of our assets and the duration of our hedge instruments. We generally calculate duration and effective duration using various third-party models or obtain these quotes from third parties. However, empirical results and various third-party models may produce different duration numbers for the same securities.

The following sensitivity analysis shows the estimated impact on the fair value of our interest rate-sensitive investments and hedge positions as of September 30, 2026, assuming rates instantaneously fall 200 bps, fall 100 bps and rise 100 bps, adjusted to reflect the impact of convexity, which is the measure of the sensitivity of our hedge positions and Agency MBS’ effective duration to movements in interest rates.

($ in thousands)

	Fair	$ Change in Fair Value			% Change in Fair Value		
MBS Portfolio	**Value**	**-200BPS**	**-100BPS**	**+100BPS**	**-200BPS**	**-100BPS**	**+100BPS**
MBS Portfolio	$ 14,484	$ 1,050	$ 586	$ (686)	7.25%	4.05%	(4.74)%
	Notional	**$ Change in Fair Value**			**% Change in Fair Value**		
Repurchase Agreement Hedges	**Amount**	**-200BPS**	**-100BPS**	**+100BPS**	**-200BPS**	**-100BPS**	**+100BPS**
Interest Rate Futures Contracts	10,000	(1,048)	(507)	485	(10.48)%	(5.07)%	4.85%
Gross Totals		$ 2	$ 79	$ (201)			

In addition to changes in interest rates, other factors impact the fair value of our interest rate-sensitive investments and hedging instruments, such as the shape of the yield curve, market expectations as to future interest rate changes and other market conditions. Accordingly, in the event of changes in actual interest rates, the change in the fair value of our assets would likely differ from that shown above and such difference might be material and adverse to our stockholders.

Repurchase Agreements

As of September 30, 2026, we had established borrowing facilities in the repurchase agreement market with a number of commercial banks and other financial institutions and had borrowings in place with four of these counterparties. We believe these facilities provide borrowing capacity in excess of our needs. None of these lenders are affiliated with us. These borrowings are secured by our MBS.

As of September 30, 2026, we had obligations outstanding under the repurchase agreements of approximately $14.0 million with a net weighted average borrowing cost of 3.98%. The remaining maturity of our outstanding repurchase agreement obligations ranged from 14 to 19 days, with a weighted average maturity of 18 days. Securing the repurchase agreement obligation as of September 30, 2026 are MBS with an estimated fair value, including accrued interest, of $14.4 million. Through November 5, 2026, we have been able to maintain our repurchase facilities with comparable terms to those that existed at September 30, 2026 with maturities through November 19, 2026.

The table below presents information about our period-end, maximum and average repurchase agreement obligations for each quarter in 2026 and 2025.

Three Months Ended	Ending Balance of Repurchase Agreements	Maximum Balance of Repurchase Agreements	Average Balance of Repurchase Agreements	Difference Between Ending Repurchase Agreements and Average Repurchase Agreements	
				Amount	Percent
September 30, 2026	$ 13,972	$ 15,033	$ 14,503	$ (531)	(3.66)%
June 30, 2026	15,033	15,203	15,109	(76)	(0.50)%
March 31, 2026	15,184	85,332	50,255	(35,071)	(69.79)%
December 31, 2025	85,326	99,953	92,640	(7,314)	(7.90)%
September 30, 2025	99,953	101,788	100,848	(895)	(0.89)%
June 30, 2025	101,742	115,096	108,626	(6,884)	(6.34)%
March 31, 2025	115,511	117,603	116,346	(835)	(0.72)%

Liquidity and Capital Resources

Liquidity is our ability to turn non-cash assets into cash to fund our operations and to meet our obligations in both the short-term (one year or less) and long-term (greater than one year). Our material cash requirements include our operating expenses, such as payroll for our employees, our professional fees such as legal and accounting, servicing our debt obligations, such as our trust preferred debt (see Note 8 to the consolidated financial statements for more information related to the timing of principal payments and maturities of our long-term debt.), the purchase of additional investments, the repayment of principal and interest on repurchase agreements, and the fulfillment of margin calls. We have both internal and external sources of liquidity. Our material unused sources of liquidity include cash balances, unencumbered assets and our ability to sell encumbered assets to raise cash.

Internal Sources of Liquidity

Our internal sources of liquidity include our cash balances, the collection of management fees and other fees related to our advisory services segments, payments of principal and interest we receive on our MBS portfolio, and dividends we receive on our investment in Orchid common stock. We also possess unencumbered RMBS assets and the ability to liquidate our encumbered security holdings.

While our investment portfolio employs a much lower portion of our capital, the management of the portfolio relies on a hedging strategy that typically involves taking short positions in T-Note and SOFR futures, "to-be-announced" ("TBA") securities or other instruments. When the market causes these short positions to decline in value we are required to meet margin calls with cash. This can reduce our liquidity position to the extent other securities in our portfolio move in price in such a way that we do not receive enough cash through margin calls to offset the futures or TBA short positions related margin calls. If this were to occur in sufficient magnitude, the loss of liquidity might force us to reduce the size of the levered portfolio, pledge additional structured securities to raise funds or risk operating the portfolio with less liquidity.

External Sources of Liquidity

Our primary external sources of liquidity are our ability to (i) borrow under master repurchase agreements and (ii) use the TBA security market. Our borrowing capacity will vary over time as the market value of our interest earning assets varies. Our master repurchase agreements have no stated expiration but can be terminated at any time at our option or at the option of the counterparty. However, once a definitive repurchase agreement under a master repurchase agreement has been entered into, it generally may not be terminated by either party. A negotiated termination can occur but may involve a fee to be paid by the party seeking to terminate the repurchase agreement transaction.

Under our repurchase agreement funding arrangements, we are required to post margin at the initiation of the borrowing. The margin posted represents the haircut, which is a percentage of the market value of the collateral pledged. To the extent the market value of the asset collateralizing the financing transaction declines, the market value of our posted margin will be insufficient and we will be required to post additional collateral. Conversely, if the market value of the asset pledged increases in value, we would be over collateralized and we would be entitled to have excess margin returned to us by the counterparty. Our lenders typically value our pledged securities daily to ensure the adequacy of our margin and make margin calls as needed, as do we. Typically, but not always, the parties agree to a minimum threshold amount for margin calls so as to avoid the need for nuisance margin calls on a daily basis. Our master repurchase agreements do not specify the haircut; rather haircuts are determined on an individual repo transaction basis.

In future periods, we expect to continue to finance our activities through repurchase agreements and through revenues from our advisory services business. As of September 30, 2026, we had cash and cash equivalents of $8.4 million. We generated cash flows of $6.3 million from principal and interest payments on our MBS portfolio and had average repurchase agreements outstanding of $26.6 million during the nine months ended September 30, 2026. In addition, during the nine months ended September 30, 2026, we received approximately $15.2 million in management fees and expense reimbursements as manager of Orchid and approximately $0.5 million in dividends from our investment in Orchid common stock.

Capital Expenditures

At September 30, 2026, we had no material commitments for capital expenditures.

Outlook

Orchid Island Capital Inc.

Orchid reported a net loss for the third quarter of 2026 of $179.2 million, or $0.90 per share, and its shareholders equity decreased from $1.441 billion to $1.172 billion. Orchid reported gains on hedge instruments of $335.4 million and realized and unrealized losses on its MBS portfolio of $567.1 million, which together resulted in net losses of $231.7 million. Orchid is obligated to reimburse Bimini for direct expenses paid on its behalf as well as Orchid's pro rata share of overhead expenses as defined in the management agreement. As a stockholder of Orchid, we will also continue to share in distributions, if any, paid by Orchid to its stockholders. Our operating results are also impacted by changes in the market value of our holdings of Orchid common shares, although these market value changes do not impact our cash flow from Orchid.

Tom Johnson Investment Management, LLC

The asset management segment of TJIM reported a net loss for the third quarter of $0.03 million, net of allocated overhead expenses of $0.7 million, on management fee revenues of $1.7 million. Total assets under management have were $1.65 billion at December 31, 2025, $1.63 billion at March 31, 2026, $1.73 billion at June 30, 2026 and $1.70 billion at September 30, 2026. Advisory fee revenues for the third quarter were $1.69 million versus $1.73 million for the second quarter of 2026. Advisory fee revenue for the first nine months of 2026 was $5.0 million, versus $4.6 million for the first nine months of 2025. Note that, due to the closing date of the TJIM Acquisition of April 1, 2026, all figures relating to the results of operations of TJIM for periods prior to the second quarter of 2026 are unaudited and are not included in the consolidated results of the Company. Such information is discussed solely to provide investors with additional context regarding the historical operations of TJIM. The information is not intended to represent, and should not be considered indicative of, the results of operations or financial position that would have been achieved had the TJIM Acquisition occurred on an earlier date, nor is it necessarily indicative of the future results of the combined company.

Economic Summary

During the third quarter and early fourth quarter of 2026, interest rates increased to levels not observed since the early 2000s. The move occurred in most western markets, including Japan and most of Europe, and there was a confluence of factors impacting interest rates across these markets. In the U.S., the drivers have been the following:

- Iran war-induced supply shocks, as the war continues with no end in sight and frequent escalations.
- Persistently high inflation fueled by:
  - war-related high energy prices, especially diesel fuel which has pervasive supply-chain impacts, and
  - the AI buildout and associated unprecedented capital expenditures,
  - tariffs.
- Resilient economic growth and expectations for more central bank rate increases.
- Fiscal sustainability concerns associated with ongoing fiscal budget deficits.
- Surging AI-related debt issuance and increased competition for capital.
- Bank of Japan ("BOJ") policy normalization and reduced U.S. Treasury purchases as yields in Japan are no longer so far below U.S. Treasury rates and/or Yen support activities on the part of the Bank of Japan.

With the recent dramatic increases in interest rates there has been widespread deleveraging and forced selling on the part of the various levered investors across fixed income markets. This in turn has put additional downward pressure on various fixed income assets – particularly Agency RMBS like the Company invests in – and interest rates themselves as additional hedging needs lead to shorting of various forms of interest rate products. Interest rates across the yield curve reached levels during the third quarter of 2026, last seen in the early 2000s. Implied interest rate volatility in the swaptions market has spiked higher during the third quarter of 2026 as well. One frequently referenced measure of implied interest rate volatility in the swaptions market – the ICE BofA MOVE index (the "MOVE index"), reached 115.02 just after the Iran war broke out in late February 2026.

Interest Rates

The most significant development during the third quarter of 2026 was the significant increase in global interest rates, particularly in the U.S. The U.S. Treasury curve steepened as rates increased. The yield on the 2-year U.S. Treasury note increased from 4.18% at June 30, 2026, to 4.89% at September 30, 2026. The yield on the 10-year U.S. Treasury note increased from 4.47% at June 30, 2026, to 5.29% at September 30, 2026. As a result, the spread between the 2 and 10-year U.S. Treasury notes increased from 29 bps to 40 bps. Implied interest rate volatility in the swaptions market increased in tandem, reaching levels close to those observed just after the war in Iran started. The MOVE index increased from 71.96 at June 30, 2026, to 110.45 at September 30, 2026.

As interest rates in the U.S. Treasury market increased, mortgage rates available to residential home buyers also increased. The Mortgage Bankers Association U.S. fixed-rate 30-year contract rate weekly index increased from 6.57% on June 26, 2026, to 7.49% on October 2, 2026. With such an increase, housing affordability, already at multi-decade low levels, is even lower. Housing turnover and refinancing activity is likewise further subdued, and prepayments on the Company's portfolio have diminished as well.

With inflation persistently high and economic activity resilient, even in the face of higher interest rates, the Fed raised the overnight Fed Funds rate range in September by 25 bps to 3.75% to 4.00%. Current market pricing, as reflected in the Fed Funds futures market, among others, was for approximately 3.8 additional 25 bps hikes over the next year as of September 30, 2026. Inflation has been above the Fed's 2% inflation target for over five years and the labor market, the second of the Fed's dual mandate focus, remains stable. Fed Chairman Warsh's public comments have repeatedly stressed his desire to get inflation back to the Fed's target level, so these conditions are likely to keep additional rate hike pricing in the market over the near term at least.

While interest rates have increased markedly since the end of the second quarter and the Fed raised the Fed Funds target range 25 bps at its September meeting, the overnight funding markets have been otherwise stable. The Company's funding of the levered RMBS portfolio is accomplished exclusively in the repurchase agreement – or "repo" – market. Repo funding is done at a spread to SOFR. Such spreads have been stable for the past several quarters. In December 2025, the Fed introduced its reserve management purchase program ("RMP"), whereby it buys U.S. Treasury bills in the open market to support the funding markets. The levels of RMP purchases vary as the Fed perceives stability in the funding markets. Also, money market assets are at very high levels by historical standards, with close to $8 trillion at the end of the third quarter of 2026. The allocation of money market assets to the repo market varies over time, but was approximately 30% at the end of the third quarter, thus providing a substantial source of liquidity to the market. As government deficits in the U.S. remain at historically high levels – approximately $2 trillion for the fiscal year ended September 30, 2026 – the government continues to issue increasing levels of U.S. Treasury bills into the market, absorbing funding that might otherwise be available for the repo market. To date this has not materially impacted funding levels, but may do so in the future.

The Agency MBS Market

Interest rates rose substantially during the third quarter of 2026 to multi-decade high levels. As is typically the case, implied interest rate volatility in the swaptions market also rose precipitously during the quarter. Interest rates and implied volatility are the primary variables that impact the Agency RMBS market. The cash flows associated with Agency RMBS are driven in part by the extent of prepayment activity, which is inversely correlated with mortgage rates and the underlying U.S. Treasury rates. Implied volatility is a key variable in the pricing of the borrower's prepayment option embedded in a residential mortgage loan. As interest rates rise, prepayment levels are anticipated to slow – materially in the case of this quarter – and the cash flows associated with Agency RMBS extend. At the end of the third quarter of 2026 nearly all Agency RMBS are trading at a discount to par. The price declines on these securities that occurred during the quarter triggered pervasive forced selling on the part of levered RMBS investors, exacerbating the downward price pressure. This resulted in poor absolute and relative returns for most Agency RMBS. For the third quarter of 2026, the Agency RMBS sector generated a total return of -4.1% and -0.8% versus comparable duration swaps. By comparison, the high-yield and investment-grade corporate bond sectors produced returns of -1.8% and -3.8%, respectively, and excess returns of -0.4% and 0.3%, respectively, versus comparable duration swaps over the same period.

Within Agency RMBS for the third quarter of 2026, conventional 30-year mortgages generated a total return of -4.4%, 15-year mortgages generated a total return of -2.2% and Ginnie Mae 30-year mortgages generated a total return of -4.1%. Versus comparable duration swaps, the returns were -0.8%, 0.4% and -1.0% for 30-year conventional, 15-year conventional and Ginnie Mae 30-year mortgages, respectively. The Company invests predominantly in 30-year conventional mortgages. Absolute returns within the 30-year stack were lowest for lower coupons and increased for progressively higher coupons, with returns for coupons 5% and lower between -4.3% and -5.3%, and for coupons of 5.5% through 7.0% progressively improving from -3.5% to –1.7%. This is consistent with higher interest rates, lower prepayment expectations and the durations of the various coupons inversely related to coupon – the lower the coupon the higher the duration, and vice-versa. Conversely, excess returns were worst for middle coupons – between the 4.0% and 6.0% coupons, with lower and higher coupons slightly better. Excess returns for middle coupons were between -1.1% and -1.3%, while the lower coupons ranged between -0.2% and -0.6%. The poor performance of coupons in the middle of the stack resulted from their more extreme extension as they moved from at or just below par to discount prices – implying the underlying cash flows had the most extreme movement. Previously existing discount securities had already extended, and higher coupons were still slight premiums that had yet to fully extend.

Recent Legislative and Regulatory Developments

In response to the deterioration in the markets for U.S. Treasuries, Agency RMBS and other mortgage and fixed income markets resulting from the impacts of the COVID-19 pandemic, the Fed implemented a program of quantitative easing. Through November of 2021, the Fed was committed to purchasing $80 billion of U.S. Treasuries and $40 billion of Agency RMBS each month. In November of 2021, it began tapering its net asset purchases each month, ended net asset purchases by early March of 2022, and ended asset purchases entirely in September of 2022. On May 4, 2022, the FOMC announced a plan for reducing the Fed's balance sheet. In June of 2022, in accordance with this plan, the Fed began reducing its balance sheet by a maximum of $30 billion of U.S. Treasuries and $17.5 billion of Agency RMBS each month. On September 21, 2022, the FOMC announced the Fed's decision to continue reducing its balance sheet by a maximum of $60 billion of U.S. Treasuries and $35 billion of Agency RMBS per month. On May 1, 2024, the FOMC announced the Fed's decision to reduce its balance sheet by a maximum of $25 billion of U.S. Treasury securities and remove the cap on Agency RMBS reduction, with any amounts in excess of $35 billion per month being reinvested in U.S. Treasury securities. On March 19, 2025, the FOMC announced the Fed's decision to reduce its balance sheet by a maximum of $5 billion of U.S. Treasury securities beginning April 1, 2025. Relatively high interest rates and slow prepayment speeds kept the balance sheet reduction for Agency RMBS below $20 billion per month throughout 2024 and 2025. On December 1, 2025, the Fed ended quantitative tightening and began reinvesting all proceeds from maturing Agency RMBS up to a $35 billion per month cap in U.S. Treasuries and announced that it would begin buying an additional $40 billion per month of U.S. Treasuries via RMPs in order to maintain an ample level of reserves on an ongoing basis. RMPs were reduced to $25 billion per month in April 2026, and further reduced to $10 billion per month in May 2026. The Fed paused RMPs from mid-August 2026 through mid-October 2026, although the market anticipates that RMPs will resume and potentially increase in late 2026. As of September 30, 2026, the Fed had reduced its balance sheet for Agency RMBS by approximately $842 billion from the peak of approximately $2.7 trillion to approximately $1.9 trillion, shedding approximately 61% of the Agency RMBS added during pandemic quantitative easing and representing the lowest level since June 2020.

On September 14, 2021, the U.S. Treasury and the FHFA suspended certain policy provisions in the Enterprise capital framework established in December 2020, including limits on loans acquired for cash consideration, multifamily loans, loans with higher risk characteristics and second homes and investment properties (the "September 2021 Provisions"). Effective April 26, 2022, the FHFA further amended this framework by, among other things, replacing the fixed leverage buffer equal to 1.5% of an Enterprise's adjusted total assets with a dynamic leverage buffer equal to 50% of an Enterprise's stability capital buffer, reducing the risk weight floor from 10% to 5%, and removing the requirement that the Enterprises must apply an overall effectiveness adjustment to their credit risk transfer exposures. On June 14, 2022, the Enterprises announced that they would each charge a 50 bps fee for commingled securities issued on or after July 1, 2022 to cover the additional capital required for such securities under the Enterprise capital framework, which was subsequently reduced on January 19, 2023 to 9.375 bps for commingled securities issued on or after April 1, 2023 to address industry concern that the fee posed a risk to the fungibility of the Uniform Mortgage-Backed Security and negatively impacted liquidity and pricing in the market for TBA securities. On November 30, 2023, the FHFA published a final rule, which became effective April 1, 2024, which reduced the risk weight and credit conversion factor for guarantees on commingled securities to 5% and 50%, respectively; replaced the current exposure methodology with the standardized approach for counterparty credit risk as the method for computing exposure and risk-weighted asset amounts for derivatives and cleared transactions; updated the credit score assumption to 680 for single-family mortgage exposures originated without a representative credit score; and introduced a risk weight of 20% for guarantee assets. On January 2, 2025, the U.S. Treasury and FHFA entered into a letter agreement deleting the September 2021 Provisions entirely, as well as providing additional guidance on the process for a potential end to the conservatorship of the Enterprises. Throughout 2025 and early 2026, there was some speculation in the market regarding progress towards an end to the conservatorship, including through an initial public offering, but no definitive action has been taken and many analysts believe additional capital is needed before the Enterprises can safely exit conservatorship.

On July 27, 2023, the federal banking regulators, including the Office of the Comptroller of the Currency (the "OCC") the FDIC and the Fed, jointly issued a proposed rule that would revise large bank capital requirements (the "2023 Basel III Endgame"). The 2023 Basel III Endgame, if implemented as originally proposed, would have significantly increased the credit weight risk for balance-sheet mortgages and for Agency RMBS sold to the GSEs, which could have disincentivized banks from originating mortgages for sale to the GSEs and impacted pricing in the Agency RMBS markets. The comment period for the 2023 Basel III Endgame closed on January 16, 2024, and the proposed rule was met with strong objections from the banking industry.

On November 25, 2025, the Fed, OCC and FDIC jointly adopted a final rule to revise the enhanced supplementary leverage ratio for globally systemically important bank holding companies ("GSIBs"). The rule, which became effective April 1, 2026 and may be adopted by banks subject to the rule as early as January 1, 2026, seeks to promote effective GSIB capital management and remove disincentives for banks to engage in low-risk activities, particularly in the U.S. Treasury market. This shift is expected to free up significant capital, allowing GSIBs greater discretion in asset allocation and potentially fostering increased lending and economic activity.

On March 19, 2026, the OCC, FDIC and the Fed rescinded the 2023 Basel III Endgame proposal and concurrently issued three revised notices of proposed rulemaking. The three proposals include (i) a revised Basel III Endgame proposal that would apply an expanded risk-based approach to Category I and Category II banking organizations, thus narrowing the mandatory scope from the 2023 proposal, with all other banking organizations permitted to opt in; (ii) a revised standardized approach proposal that would reduce risk weights for traditional lending activities for banking organizations not subject to the expanded risk-based approach; and (iii) a revised GSIB capital surcharge proposal. The OCC, FDIC, and the Fed estimate that the revised proposals would decrease aggregate common equity tier 1 capital requirements by approximately 4.8% for Category I and Category II banking organizations, in contrast to the significant capital increases that would have resulted under the 2023 Basel III Endgame. Additionally, the revised proposal would eliminate the requirement to deduct mortgage servicing assets from common equity tier 1 capital, instead assigning a 250% risk weight, which is designed to promote mortgage origination and servicing by banking organizations. The Fed voted 6-to-1 to advance all three proposals and the FDIC board voted unanimously in favor of the revised Basel III Endgame and standardized approach proposals. The comment period for the revised proposals closed on June 18, 2026, with the Fed indicating that it hopes to release the final rule by the end of 2026.

The scope and nature of the actions the U.S. government or the Fed will ultimately undertake are unknown and will continue to evolve.

Effect on Us

The following discussion pertains to both Royal Palm's investment portfolio and the investment portfolio of Orchid that is managed by Bimini Advisors.

Regulatory developments, movements in interest rates and prepayment rates affect us in many ways, including the following:

Effects on our Assets

A change in or elimination of the guarantee structure of Agency RMBS may increase our costs (if, for example, guarantee fees increase) or require us to change our investment strategy altogether. For example, the elimination of the guarantee structure of Agency RMBS may cause us to change our investment strategy to focus on non-Agency RMBS, which in turn would require us to significantly increase our monitoring of the credit risks of our investments in addition to interest rate and prepayment risks.

If prepayment rates are relatively low (due, in part, to the refinancing problems described above), lower long-term interest rates can increase the value of our Agency RMBS. This is because investors typically place a premium on assets with coupon/yields that are higher than coupon/yields available in the market. To the extent such securities prepay slower than would otherwise be the case, we benefit from an above market coupon/yield for longer, enhancing the return from the security. Although lower long-term interest rates may increase asset values in our portfolio, we may not be able to invest new funds in similarly yielding assets.

If prepayment levels increase, the value of any of our Agency RMBS that are carried at a premium to par that are affected by such prepayments may decline. This is because a principal prepayment accelerates the effective term of an Agency RMBS, which would shorten the period during which an investor would receive above-market returns (assuming the yield on the prepaid asset is higher than market yields). Also, prepayment proceeds may not be able to be reinvested in similar-yielding assets. Agency RMBS backed by mortgages with high interest rates are more susceptible to prepayment risk because holders of those mortgages are most likely to refinance to a lower rate. If prepayment levels increase, the value of any of our Agency RMBS that are carried at a discount to par that are affected by such prepayments may increase. This is because a principal prepayment accelerates the effective term of an Agency RMBS, which would shorten the timeframe over which an investor would receive the principal of the underlying loans. Agency RMBS backed by mortgages with low interest rates are less susceptible to prepayment risk because holders of those mortgages are less likely to refinance to a higher rate. IOs and IIOs, however, may be the types of Agency RMBS most sensitive to increased prepayment rates. Because the holder of an IO or IIO receives no principal payments, the values of IOs and IIOs are entirely dependent on the existence of a principal balance on the underlying mortgages. If the principal balance is eliminated due to prepayment, IOs and IIOs essentially become worthless. Although increased prepayment rates can negatively affect the value of our IOs and IIOs, they have the opposite effect on POs. Because POs act like zero-coupon bonds, meaning they are purchased at a discount to their par value and have an effective interest rate based on the discount and the term of the underlying loan, an increase in prepayment rates would reduce the effective term of our POs and accelerate the yields earned on those assets, which would increase our net income.

Higher long-term rates can also affect the value of our Agency RMBS. As long-term rates rise, rates available to borrowers also rise. This tends to cause prepayment activity to slow and extend the expected average life of mortgage cash flows. As the expected average life of the mortgage cash flows increases, coupled with higher discount rates, the value of Agency RMBS declines. Some of the instruments we use to hedge our Agency RMBS assets, such as interest rate futures, swaps and swaptions, are stable average life instruments. This means that to the extent we use such instruments to hedge our Agency RMBS assets, our hedges may not adequately protect us from price declines, and therefore may negatively impact our book value. It is for this reason we use interest only securities in our portfolio. As interest rates rise, the expected average life of these securities increases, causing generally positive price movements as the number and size of the cash flows increase the longer the underlying mortgages remain outstanding. This makes interest only securities desirable hedge instruments for PT Agency RMBS.

Because we base our investment decisions on risk management principles rather than anticipated movements in interest rates, in a volatile interest rate environment we may allocate more capital to structured Agency RMBS with shorter durations. We believe these securities have a lower sensitivity to changes in long-term interest rates than other asset classes. We may attempt to mitigate our exposure to changes in long-term interest rates by investing in IOs and IIOs, which typically have different sensitivities to changes in long-term interest rates than PT RMBS, particularly PT RMBS backed by fixed-rate mortgages.

Effects on our borrowing costs

We leverage our PT RMBS and structured Agency RMBS through the use of short-term repurchase agreement transactions. The interest rates on our debt are determined by the short-term interest rate markets. Increases in the Fed Funds rate or SOFR typically increase our borrowing costs, which could affect our interest rate spread if there is no corresponding increase in the interest we earn on our assets. The impact of these increases would be most prevalent with respect to our Agency RMBS backed by fixed rate mortgage loans because the interest rate on a fixed-rate mortgage loan does not change even though market rates may change.

In order to protect our net interest margin against increases in short-term interest rates, we may enter into interest rate swaps, which economically convert our floating-rate repurchase agreement debt to fixed-rate debt or utilize other hedging instruments such as Fed Funds, SOFR, ERIS SOFR Swap, and T-Note futures contracts, dual digital options or interest rate swaptions.

With respect to the markets from which the Company derives its revenues and profits, prior to the second quarter of 2026, Orchid and the Company invested exclusively in Agency MBS securities and applied leverage utilizing repurchase agreement funding. The primary drivers of the performance of these assets – both absolute performance and performance relative to hedges – are interest rates, their impact on both asset prices and the level of prepayments, interest rate volatility, particularly the level of implied volatility in interest rate swaptions and various interest rate derivatives, and our funding levels. Accordingly, we have been, and continue to be, significantly exposed to interest rates, and our performance remains driven by our ability to select assets, manage our leverage, and the effectiveness of our hedging strategy. However, as a result of the acquisition of TJIM the Company now derives revenues and profits from the equity market. Accordingly, our focus will broaden to encompass developments in the equity market going forward.

Domestic Equity Market

In stark contrast to recent quarters, artificial intelligence was not the headline story of the third quarter. U.S. equities turned in a respectable period on the surface, with the S&P 500 returning 2.3% including dividends. While technology remained a major driver, the sector was outperformed by Energy by a wide margin. But the real story of the quarter was the sharp increase in interest rates to levels unseen in nearly a quarter of a century.

On August 19, Treasury Secretary Scott Bessent announced a buyback program targeting off-the-run, 10- to 30-year paper, followed by a September 10 operation capped at $6 billion to suppress long-end yields. Similar to "Operation Twist" from the Global Financial Crisis, this modern effort is far more benign in scale. Thus far, it has felt like pushing on a string: yields spiked across the curve, with the 10-year Treasury closing September at 5.29% and shorter maturities pushing past 5.0% in an aggressive bear flattening.

Three primary catalysts are driving yields higher:

- Inflation Expectations: Persistent war and tariffs continue to lift fuel and materials costs. Facing scarcity, nations aggressively onshore critical production—a reflexive loop that elevates inflation, turns supply chains into defense priorities, and fragments global trade.
- Fed Restrictiveness: With the September headline Personal Consumption Expenditures price index ("PCE") at 3.6% and core PCE firming at 3.1% (reversing late last year's 2.5% low), the Federal Reserve unanimously raised the Fed Funds target by 25 basis points to 3.75%–4.00%.
- Deficit Spending: An annual federal shortfall near 6% of GDP adds roughly $2.0 trillion to debt exceeding $40 trillion. With the CBO projecting a 6.7% deficit by 2036, outgrowing this burden is unrealistic; sustainability requires fiscal restraint.

Equity Market Breadth & The Cost of the AI Buildout

U.S. stocks have enjoyed strong topline index returns year-to-date, but market breadth has narrowed considerably as whole sectors failed to participate:

- Diverging Participation: Only Energy and Tech are beating the broader market year-to-date. The equal-weight S&P 500 fell 1.9% during the quarter, with 350 S&P 500 constituents lagging the benchmark and 237 sitting in negative territory.
- The Debt-Financed AI Bet: A recent Brookings paper estimates AI data centers must generate ~$3.7 trillion in annual revenue by 2032 (~9% of GDP) for a 10% unlevered return. Because so much AI infrastructure is debt-financed, higher baseline rates and widening credit spreads compound borrowing costs.

Despite AI tailwinds and resilient index returns, rising rates raise critical questions regarding investor appetite for risk assets. With elevated Treasury yields, the risk/reward proposition of owning equities has grown less attractive at the index level.

For equity investors, the silver lining of such concentrated market breadth is that hundreds of high-quality companies have been bypassed in the rush toward headline AI names. In a market where capital costs more, TJIM believes fundamental company discipline, free cash flow generation and strong balance sheets, instead of speculative momentum, will drive stock performance.

Fixed Income Yield and Opportunity

The elevated yields that pressured equities have created an opportunity for fixed income investors. High- quality, liquid fixed income strategies are more compelling than they have been in years. This is not a claim that interest rates can't continue to rise, instead it just highlights that starting yields matter immensely. With TJIM bond portfolios yields of approximately 5%, they are much more resilient to future rate increases than they have been in past cycles. In addition, TJIM portfolios maintain ample dry powder to capitalize opportunistically as these higher yields unfold.

Summary

On April 1, 2026, the Company completed the acquisition of an 80% ownership stake in TJIM. As such, the results of the Company's operations and our focus in our public disclosures going forward will be impacted by factors other than just the fixed income markets and the Agency MBS market, although the MBS market will still be a significant factor. Beginning with the second quarter of 2026 our focus has expanded to include factors impacting the domestic equity markets as well as fixed income markets other than the Agency MBS market.

As we entered 2026, interest rates had been range-bound for more than 12 months, but the range was broken during the first quarter of 2026 as a result of the Iran War. After a brief respite in the conflict, rates moved higher once again as prospects for a resolution dimmed and a new Fed Chairman, Kevin Warsh, took control of the Fed, immediately expressing his strong conviction in ending the five-year period of inflation running above the Fed's 2% target. Interest rate volatility, both realized and implied in interest rate options, has remained subdued outside of the temporary spike at the onset of the Iran War.

At the outset of 2026, there was uncertainty about how the risks facing the economy would ultimately drive Fed policy and the level of interest rates, with resulting impacts on risk assets and Agency RMBS. Inflation was elevated, but risks to the growth outlook were clearly present, creating a quandary for policy makers. This does not appear to be the case now. Growth has proven to be remarkably resilient, as has the labor market, and the growth of the economy is not a pressing concern for policy makers or markets. Inflation, however, remains well above the Fed's target and the Iran War seems likely to persist, representing a continued source of commodity inflation. Looking forward, the Iran War continues to be a dominant force driving the performance of all markets. At this point, it is unclear what the ultimate outcome of the war will be or when it will end. As for the economy and monetary policy, the path of inflation is likely to be the primary driver of monetary policy and interest rate levels in the United States. Both Orchid and the Company have maintained modest levels of leverage for the past several quarters and are likely to continue to do so given the prevailing market uncertainty.

For domestic equity markets, the third quarter of 2026 stood in stark contrast to the broad, powerful optimism of the previous quarter. U.S. equities remained positive, delivering a respectable 2.3% total return. However, debates surrounding the timing and magnitude of artificial intelligence investments were overshadowed by a sharp surge in interest rates, punctuated by the 10-year Treasury yield closing September at 5.29%.

Beneath top-line index gains, market conditions fragmented as investors navigated several compounding headwinds:

- **Narrowing Market Breadth:** The equal-weight S&P 500 fell 1.9%, with 350 constituents lagging the headline index and 237 issues ending the quarter in negative territory.
- **Inflation & Policy Restrictiveness:** With September headline PCE climbing to 3.6%, the Federal Reserve unanimously hiked the Fed funds target rate by 25 bps to 3.75%–4.00%.
- **Diminished Equity Appeal:** Stretched equity valuations paired with ~5% yields on risk-free Treasuries made the risk/reward proposition of equities considerably less attractive.
- **Debt Costs & The AI Buildout:** Because AI infrastructure is heavily debt-funded, rising benchmark yields and widening credit spreads increasingly threaten corporate capital spending plans.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which requires our management to make some complex and subjective decisions, estimates and assessments. Our most critical accounting policies involve decisions, estimates and assessments which can have a material impact on reported assets, liabilities, revenues and expenses, and these estimates can change each reporting period. There have been no changes to the processes used to determine our critical accounting estimates as discussed in our annual report on Form 10-K for the year ended December 31, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company as defined by Rule 12b-2 of the Exchange Act, we are not required to provide disclosure pursuant to this Item. However, we have elected to include much of the information in Item 2 above.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report (the "evaluation date"), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, the CEO and CFO concluded our disclosure controls and procedures, as designed and implemented, were effective as of the evaluation date (1) in ensuring that information regarding the Company and its subsidiaries is accumulated and communicated to our management, including our CEO and CFO, by our employees, as appropriate to allow timely decisions regarding required disclosure and (2) in providing reasonable assurance that information we must disclose in our periodic reports under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There were no material changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. There were changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter related to the acquisition of an 80% ownership stake in TJIM. These changes primarily relate to the recording of advisory fee income and are not reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As previously disclosed, in April 2020 and November 2021, the Company received demands for payment from Citigroup, Inc. related to the indemnification provisions of various mortgage loan purchase agreements entered into prior to 2007. As of September 30, 2026, no further information has been received related to this matter. The ultimate resolution of this matter cannot presently be determined. However, in management's opinion, the demands are without merit and the likelihood of a material adverse outcome is remote. Accordingly, no provision or accrual has been recorded.

We are not party to any other material pending legal proceedings as described in Item 103 of Regulation S-K.

ITEM 1A. RISK FACTORS.

As a smaller reporting company, we are not required to provide disclosure pursuant to this item in this Form 10-Q.

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

The Company did not have any unregistered sales of its equity securities during the three months ended September 30, 2026.

The following table contains information about all purchases made during the three months ended September 30, 2026 by, or on behalf of, us and any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act) of shares or other units of any class of our equity securities that is registered pursuant to Section 12 of the Exchange Act. All purchases were made pursuant to the 2026 Repurchase Plan.

	Total Number of Shares Repurchased		Weighted-Average Price Paid Per Share	Shares Purchased as Part of Publicly Announced Programs		Approximate Dollar Amount of Shares That May Yet be Repurchased Under the Authorization
July 1, 2026 - July 31, 2026	1,984	$	2.33	1,984	$	2,455,196
August 1, 2026 - August 31, 2026	36,216		3.03	36,216		2,345,359
September 1, 2026 - September 30, 2026	30,000		3.19	30,000		2,249,659
Totals / Weighted Average	68,200	$	3.08	68,200	$	2,249,659

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended September 30, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a Rule 10b5-1 trading arrangement (as each term is defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit No	
3.1	Articles of Amendment and Restatement, incorporated by reference to Exhibit 3.1 to the Company's Form S-11/A, filed with the SEC on April 29, 2004
3.2	Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated November 3, 2005, filed with the SEC on November 8, 2005
3.3	Articles of Amendment, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated February 10, 2006, filed with the SEC on February 15, 2006
3.4	Articles of Amendment, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated September 24, 2007, filed with the SEC on September 24, 2007
3.5	Certificate of Notice, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated January 28, 2008, filed with the SEC on February 1, 2008
3.6	Articles Supplementary, reclassifying shares of Class A Preferred Stock and Class B Preferred Stock into Preferred Stock, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, dated December 21, 2015, filed with the SEC on December 21, 2015
3.7	Articles Supplementary, creating the Series A Preferred Stock, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, dated December 21, 2015, filed with the SEC on December 21, 2015.
3.8	Amended and Restated Bylaws, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, dated September 24, 2007, filed with the SEC on September 24, 2007
4.1	Rights Plan, dated as of December 21, 2015, between the Company and Broadridge Corporate Issuer Solutions, Inc. incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, dated December 21, 2015, filed with the SEC on December 21, 2015.
4.2	Description of the Company's Capital Stock, incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K, filed with the SEC on March 27, 2020.
10.1	Fourth Amendment to Management Agreement, dated as of April 23, 2026, by and between Bimini Advisors, LLC and Orchid Island Capital, Inc.*
31.1	Certification of the Principal Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002*
31.2	Certification of the Principal Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002*
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002**
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.***
101.SCH	Inline XBRL Taxonomy Extension Schema Document***
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document***
101.DEF	Inline XBRL Additional Taxonomy Extension Definition Linkbase Document***
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document***
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document***
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith
*** Submitted electronically herewith.

Signatures

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

BIMINI CAPITAL MANAGEMENT, INC.

Date: November 6, 2026

By: /s/ Robert E. Cauley
Robert E. Cauley
Chairman and Chief Executive Officer

Date: November 6, 2026

By: /s/ G. Hunter Haas, IV
G. Hunter Haas, IV
President, Chief Financial Officer, Chief Investment Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

FOURTH AMENDMENT TO
MANAGEMENT AGREEMENT

THIS FOURTH AMENDMENT TO MANAGEMENT AGREEMENT (the "**Amendment**") is entered into as of April 23, 2026 (the "**Effective Date**"), by and between Orchid Island Capital, Inc., a Maryland corporation (the "**Company**"), and Bimini Advisors, LLC, a Maryland limited liability company ("**Manager**"), with an effective date as of April 1, 2026. Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Company and the Manager entered into a Management Agreement effective as of February 20, 2013, the First Amendment to Management Agreement effective as of April 1, 2014, the Second Amendment to Management Agreement effective as of June 30, 2014 and the Third Amendment to Management Agreement effective as of November 16, 2021 (collectively, the "**Agreement**");

WHEREAS, the Manager is a wholly-owned subsidiary of Bimini Capital Management, Inc. ("**Bimini**");

WHEREAS, Bimini acquired eighty percent (80%) of the fully diluted equity interests of Tom Johnson Investment Management, LLC, a privately held registered investment adviser ("**TGIM**"), on April 1, 2026; and

WHEREAS, in connection with Bimini's acquisition of TGIM, the Company and the Manager now desire to amend the Agreement on the terms set forth herein to more fairly allocate certain of the expenses between the Company and the Manager.

NOW, **THEREFORE**, in consideration of the premises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the parties hereby amend and modify the Agreement in the manner set forth below:

1. Section 7(b)(xiii) of the Agreement is hereby deleted and replaced with the following:

"(xiii) all travel and related expenses of directors, officers and employees of the Company and the Manager, incurred in connection with attending meetings of the Board of Directors or holders of securities of the Company or any Subsidiary or performing other business activities that relate to the Company or any Subsidiary, including, without limitation, travel and related expenses incurred in connection with the purchase, consideration for purchase, financing, refinancing, sale or other disposition of any investment or potential investment of the Company; provided, however, that the Company shall only be responsible for its pro rata share of such expenses where such expenses were not incurred solely for the benefit of the Company;"

2. Section 7(b)(xvi) of the Agreement is hereby deleted and replaced by the following:

"(xvi) all costs and expenses related to (A) the design and maintenance of the Company's web site or sites and (B) the Company's pro rata share, based on the relative revenue of the Company and Bimini (excluding any expense reimbursements pursuant to this Agreement) for (I) the immediately preceding fiscal year for purposes of each of the first and second quarters and (II) the first six months of the fiscal year for purposes of each of the third and fourth quarters, of any computer software, hardware or information technology services that is used by the Company;"

3. Section 7(b)(xvii) of the Agreement is hereby deleted and replaced by the following:

"(xvii) all costs and expenses incurred with respect to market information systems and publications, research publications and materials, and settlement, clearing and custodial fees and expenses; provided, however, that the Company shall only be responsible for its pro rata share of such expenses, based on the Company's percentage of the aggregate amount of the Manager's RMBS assets under management (measured as of the first day of each month), where such expenses were not incurred solely for the benefit of the Company;"

4. Section 7(b)(xix) of the Agreement is hereby deleted and replaced by the following:

"(xix) rent (including disaster recovery facilities costs and expenses), telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the Manager and its Affiliates required for the Company's operations; provided, however, that the Company shall only be responsible for its pro rata share of such expenses, based on the relative revenue of the Company and Bimini (excluding any expense reimbursements pursuant to this Agreement) for (I) the immediately preceding fiscal year for purposes of each of the first and second quarters and (II) the first six months of the fiscal year for purposes of each of the third and fourth quarters, where such expenses were not incurred solely for the benefit of the Company; and;"

5. This Amendment constitutes an amendment or modification of the Agreement that is entered into pursuant to Section 16(d) of the Agreement.

6. Except as set forth in this Amendment, the parties acknowledge and agree that all other terms of the Agreement shall remain in full force and effect.

7. All prior agreements, promises, representations, or statements, whether oral or in writing, regarding this Amendment are merged and integrated herein. This Amendment and the Agreement, as so amended, constitute the entire agreement with respect to the subject matter hereof. No amendments, waivers or modifications to the terms of the Agreement shall be valid unless set forth in writing and signed by the Company and the Manager.

8. This Amendment may be executed in counterparts, each of which will be deemed an original, and all of which taken together shall constitute a single agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

ORCHID ISLAND CAPITAL, INC.

By: _____
Name: Robert E. Cauley
Title: Chief Executive Officer

BIMINI ADVISORS, LLC

By: _____
Name: George H. Haas, IV
Title: Chief Financial Officer, Chief Investment Officer and Secretary

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Robert E. Cauley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bimini Capital Management, Inc. (the "registrant");

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 officer 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 officer 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 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: November 6, 2026

/s/ Robert E. Cauley
Robert E. Cauley
Chairman of the Board and Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, G. Hunter Haas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bimini Capital Management, Inc. (the "registrant");

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 officer 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 officer 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 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: November 6, 2026

/s/ G. Hunter Haas, IV
G. Hunter Haas, IV
President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

I, Robert E. Cauley, in compliance 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Quarterly Report For Bimini Capital Management, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 (the “Report”) filed with the Securities and Exchange Commission:

1. fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

November 6, 2026

/s/ Robert E.Cauley
Robert E. Cauley,
Chairman of the Board and
Chief Executive Officer

Exhibit 32.2

CERTIFICATION
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

I, G. Hunter Haas, in compliance 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Quarterly Report for Bimini Capital Management, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 (the "Report") filed with the Securities and Exchange Commission:

1. fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

November 6, 2026

/s/ G. Hunter Haas, IV
G. Hunter Haas, IV
President and Chief Financial Officer