

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
ORCHID ISLAND CAPITAL, INC		27-3269228	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
G. HUNTER HAAS, IV	772-231-1400	HHAAS@ORCHIDISLANDCAPITAL.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
3305 FLAMINGO DRIVE		VERO BEACH, FL 32963	
8 Date of action		9 Classification and description	
SEE STATEMENT 1		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
68571X301		ORC	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **DURING THE CALENDAR YEAR 2022, ORCHID ISLAND CAPITAL, INC. ("ORC") MADE CASH DISTRIBUTIONS TO ITS COMMON SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE STATEMENT 1 FOR THE DATES AND AMOUNTS OF THESE DISTRIBUTIONS ON A PER SHARE BASIS.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE STATEMENT 1.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **ORC'S EARNINGS AND PROFITS WERE CALCULATED IN ACCORDANCE WITH I.R.C. SECTION 312, SECTION 857, REGULATIONS THEREUNDER. DISTRIBUTIONS IN EXCESS OF EARNINGS AND PROFITS REDUCE THE SHAREHOLDERS' TAX BASIS IN COMMON SHARES OWNED TO THE EXTENT OF THE BASIS PURSUANT TO I.R.C. (C)(2).**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SECTION 301(C)(2).

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ NO.

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS 2022.

Blank lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Jerry Sintes Date ▶ 1/15/2023

Print your name ▶ JERRY SINTES Title ▶ TREASURER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

ORCHID ISLAND CAPITAL, INC.
27-3269228
STATEMENT 1
FORM 8937

THE DISTRIBUTIONS MADE ON THE FOLLOWING DATES REDUCE THE BASIS OF THE SECURITY IN THE HANDS OF THE U.S. SHAREHOLDER(S) AS FOLLOWS:

Record Date	Payment Date	Distribution Rate (per share)	Reduction of Basis (per share)
12/31/2021	1/27/2022	\$ 0.065	\$ 0.049400
1/31/2022	2/24/2022	\$ 0.055	\$ 0.041800
2/28/2022	3/29/2022	\$ 0.055	\$ 0.041800
3/31/2022	4/27/2022	\$ 0.045	\$ 0.034200
4/29/2022	5/27/2022	\$ 0.045	\$ 0.034200
5/31/2022	6/28/2022	\$ 0.045	\$ 0.034200
6/30/2022	7/27/2022	\$ 0.045	\$ 0.034200
7/29/2022	8/29/2022	\$ 0.045	\$ 0.034200
8/31/2022	9/28/2022	\$ 0.160	\$ 0.121600
9/30/2022	10/27/2022	\$ 0.160	\$ 0.121600
10/31/2022	11/28/2022	\$ 0.160	\$ 0.121600
11/30/2022	12/28/2022	\$ 0.160	\$ 0.121600