

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	
AUGUST 30, 2022		CASH IS LIEU OF FRACTIONAL SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
68571X103		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 ▶ **EFFECTIVE AUGUST 30, 2022 THE ISSUER COMPLETED A 1-FOR 5 REVERSE STOCK SPLIT OF ITS COMMON STOCK. ADDITIONALLY, THE ISSUER ARRANGED FOR CASH PAYMENT TO ELIMINATE FRACTIONAL SHARES ("TRANSACTION").**

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 ▶ **AFTER THE REVERSE STOCK SPLIT, A SHAREHOLDER WHO WOULD HAVE BEEN OTHERWISE ENTITLED TO A FRACTIONAL SHARE AS A RESULT OF THE REVERSE STOCK SPLIT RECEIVED CASH IN LIEU AND WAS DEEMED, FOR FEDERAL INCOME TAX PURPOSES, TO HAVE RECEIVED THE FRACTIONAL SHARES AND THEN IMMEDIATELY SOLD THE FRACTIONAL SHARES FOR CASH.**

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 ▶ **THE TOTAL COST BASIS AFTER FACTORING IN THE REVERSE STOCK SPLIT, INCLUDING THE FRACTIONAL SHARES, WILL BE REDUCED BY THE COST BASIS ATTRIBUTABLE TO THE FRACTIONAL SHARES. PLEASE REFER TO THE SEPARATE FORM 8937 RELATING TO THE REVERSE STOCK SPLIT FOR ADDITIONAL INFORMATION.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC SECTIONS 368, 354, 358, 1001 AND 1012.

18 Can any resulting loss be recognized? ► THE SHAREHOLDER WHO RECEIVES CASH IN LIEU OF THE FRACTIONAL SHARES WILL GENERALLY RECOGNIZE CAPITAL GAIN OR LOSS EQUAL TO THE DIFFERENCE BETWEEN THE CASH RECIEVED IN LIEU OF THE FRACTIONAL SHARES AND THE PORTION OF THE SHAREHOLDER'S TAX BASIS OF THE PRE-REVERSE STOCK SPLIT SHARES THAT ARE ALLOCABLE TO THE POST-SPLIT FRACTIONAL SHARES.

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

PRE-TRANSACTION CUSIP - 68571X103

POST-TRANSACTION CUSIP - 68571X301

THE INFORMATION SET FORTH IN THIS FORM 8937 DOES NOT CONSTITUTE TAX ADVICE, DOES NOT TAKE INTO ACCOUNT ANY SHAREHOLDER'S SPECIFIC FACTS AND CIRCUMSTANCES AND DOES NOT PURPORT TO BE A COMPLETE SUMMARY OF THE TAX CONSEQUENCES OF THE TRANSACTION TO A SHAREHOLDER. EACH SHAREHOLDER SHOULD CONSULT SUCH SHAREHOLDER'S TAX ADVISOR WITH RESPET TO THE TAX CONSEQUENCES OF THE TRANSACTION.

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 ► 9/15/2022

Paid Preparer Use Only	Print your name ► <u>JERRY SINTES</u>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►			Firm's EIN ►	
	Firm's address ►			Phone no.	