

Item 2.02. Results of Operations and Financial Condition.

On October 12, 2022, Orchid Island Capital, Inc. (the “Company”) announced its estimated book value of \$11.42 per share as of September 30, 2022, certain details of its RMBS portfolio as of September 30, 2022, and estimated GAAP net loss per share of \$2.41, including an estimated \$2.66 per share of net realized and unrealized losses, for the quarter ended September 30, 2022. These figures and the estimated book value per share and estimated GAAP net income per share are preliminary, subject to change, and subject to review by the Company’s independent registered public accounting firm.

Item 8.01. Other Events.

On October 12, 2022, the Company announced that the Board of Directors of the Company (the “Board”) declared a dividend for the month of October 2022 of \$0.16 per share of the Company’s common stock, to be paid on November 28, 2022 to holders of record on October 31, 2022, with an ex-dividend date of October 28, 2022. In addition, the Company announced certain details of its RMBS portfolio as of September 30, 2022 as well as certain other information regarding the Company.

The Company also announced the Board’s approval on October 12, 2022 of an increase to its previously announced stock repurchase program (the “Repurchase Program”) for up to an additional 4,300,000 shares of the Company’s common stock, which results in a total authorization under the Repurchase Program for up to 5,046,499 shares, representing approximately 15% of the Company’s currently outstanding shares of common stock. As part of the Repurchase Program, shares may be purchased in open market transactions, including through block purchases, through privately negotiated transactions, or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Open market repurchases will be made in accordance with Exchange Act Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of open market stock repurchases. The timing, manner, price and amount of any repurchases will be determined by the Company in its discretion and will be subject to economic and market conditions, stock price, applicable legal requirements and other factors. The authorization does not obligate the Company to acquire any particular amount of common stock, and the Repurchase Program may be suspended or discontinued at the Company’s discretion without prior notice. The Repurchase Program has no termination date.

A copy of the Company’s press release announcing the dividend, the other information regarding the Company and the increase in the size of the Repurchase Program is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Caution About Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including, but not limited to, statements about the Company’s distributions and the Repurchase Program. These forward-looking statements are based upon the Company’s present expectations, but the Company cannot assure investors that actual results will not vary from the expectations contained in the forward-looking statements. Investors should not place undue reliance upon forward looking statements. For further discussion of the factors that could affect outcomes, please refer to the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated October 12, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 12, 2022

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley

Robert E. Cauley
Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES
ESTIMATED THIRD QUARTER 2022 RESULTS,
OCTOBER 2022 MONTHLY DIVIDEND, INCREASE IN STOCK REPURCHASE
PROGRAM AUTHORIZATION AND
SEPTEMBER 30, 2022 RMBS PORTFOLIO CHARACTERISTICS**

- October 2022 Monthly Dividend of \$0.16 Per Share of Common Stock
- Increased Stock Repurchase Program Authorization by 4.3 Million Shares of Common Stock
- Estimated Book Value Per Share as of September 30, 2022 of \$11.42
- Estimated GAAP net loss of \$2.41 per share for the quarter ended September 30, 2022, including an estimated \$2.66 per share of net realized and unrealized losses on RMBS and derivative instruments
- Estimated (16.7)% total return on equity for the quarter
- Estimated book value, net loss and total return on equity amounts are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm
- RMBS Portfolio Characteristics as of September 30, 2022
- Next Dividend Announcement Expected November 9, 2022

Vero Beach, Fla., October 12, 2022 - Orchid Island Capital, Inc. (the "Company") (NYSE: ORC) announced today that the Board of Directors (the "Board") declared a monthly cash dividend for the month of October 2022. The dividend of \$0.16 per share will be paid November 28, 2022 to holders of record of the Company's common stock on October 31, 2022, with an ex-dividend date of October 28, 2022. The Company plans on announcing its next common stock dividend on November 9, 2022.

The Company intends to make regular monthly cash distributions to its holders of common stock. In order to qualify as a real estate investment trust ("REIT"), the Company must distribute annually to its stockholders an amount at least equal to 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. The Company will be subject to income tax on taxable income that is not distributed and to an excise tax to the extent that a certain percentage of its taxable income is not distributed by specified dates. The Company has not established a minimum distribution payment level and is not assured of its ability to make distributions to stockholders in the future.

As of October 12, 2022, the Company had 33,760,251 shares of common stock outstanding. As of September 30, 2022, the Company had 35,066,251 shares of common stock outstanding. As of June 30, 2022, the Company had 35,250,239 shares of common stock outstanding, adjusted for the Company's one-for-five reverse stock split effective August 30, 2022 (the "Reverse Stock Split").

Stock Repurchase Program

Today, the Board approved an increase in the number of shares of the Company's common stock available in its previously announced stock repurchase program (the "Repurchase Program") for up to an additional 4.3 million shares, bringing the remaining authorization under the Repurchase Program to approximately 5.0 million shares, representing approximately 15% of the Company's currently outstanding shares of common stock.

As part of the Repurchase Program, shares may be purchased in open market transactions, block purchases, through privately negotiated transactions, or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Open market repurchases will be made in accordance with Exchange Act Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of open market stock repurchases. The timing, manner, price and amount of any repurchases will be determined by the Company in its discretion and will be

subject to economic and market conditions, stock price, applicable legal requirements and other factors. The authorization does not obligate the Company to acquire any particular amount of common stock and the Repurchase Program may be suspended or discontinued at the Company's discretion without prior notice. The Repurchase Program has no termination date.

Estimated September 30, 2022 Book Value Per Share

The Company's estimated book value per share as of September 30, 2022 was \$11.42. The Company computes book value per share by dividing total stockholders' equity by the total number of outstanding shares of common stock. At September 30, 2022, the Company's preliminary estimated total stockholders' equity was approximately \$400.4 million with 35,066,251 shares of common stock outstanding. These figures and the resulting estimated book value per share are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

Estimated Net Loss Per Share and Realized and Unrealized Gains and Losses on RMBS and Derivative Instruments

The Company estimates it generated a net loss per share of \$2.41, which includes \$2.66 per share of net realized and unrealized losses on RMBS and derivative instruments for the quarter ended September 30, 2022. These amounts compare to total dividends declared during the quarter of \$0.545 per share, adjusted for the Reverse Stock Split, as applicable. Net loss per common share calculated under generally accepted accounting principles can, and does, differ from our REIT taxable income. The Company views REIT taxable income as a better indication of income to be paid in the form of a dividend rather than net loss. Many components of REIT taxable income can only be estimated at this time and our monthly dividends declared are based on both estimates of REIT taxable income to be earned over the course of the current quarter and calendar year and a longer-term estimate of the REIT taxable income of the Company. These figures are preliminary, subject to change, and subject to review by the Company's independent registered public accounting firm.

Estimated Total Return on Equity

The Company's estimated total return on equity for the quarter ended September 30, 2022 was (16.7)%. The Company calculates total return on equity as the sum of dividends declared and paid during the quarter plus changes in book value during the quarter, divided by the Company's stockholders' equity at the beginning of the quarter. The total return was \$(2.395) per share, comprised of dividends per share of \$0.545 and a decrease in book value per share of \$2.94 from June 30, 2022.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of September 30, 2022 are presented below. These figures are preliminary and subject to change and, with respect to figures that will appear in the Company's financial statements and associated footnotes as of and for the quarter ended September 30, 2022, are subject to review by the Company's independent registered public accounting firm.

- RMBS Valuation Characteristics
- RMBS Assets by Agency
- Investment Company Act of 1940 Whole Pool Test Results
- Repurchase Agreement Exposure by Counterparty
- RMBS Risk Measures

About Orchid Island Capital, Inc.

Orchid Island Capital, Inc. is a specialty finance company that invests on a leveraged basis in Agency RMBS. Our investment strategy focuses on, and our portfolio consists of, two categories of Agency RMBS: (i) traditional pass-through Agency RMBS, such as mortgage pass-through certificates and collateralized mortgage obligations issued by Fannie Mae, Freddie Mac or Ginnie Mae, and (ii) structured Agency RMBS. The Company is managed by Bimini Advisors, LLC, a registered investment adviser with the Securities and Exchange Commission.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements include, but are not limited to, statements about the Company's distributions and the Repurchase Program. These forward-looking statements are based upon Orchid Island Capital, Inc.'s present expectations, but these statements are not guaranteed to occur. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

RMBS Valuation Characteristics

(\$ in thousands)

Type	Current Face	Fair Value	% of Portfolio	Current Price	Net Weighted Average Coupon	GWAC	Age	Weighted Average Maturity (Months)	Realized Sep 2022 CPR (1-Month) (Reported in Oct)	Realized Jul - Sep 2022 CPR (3-Month) (Reported in Oct)	Modeled Interest Rate Sensitivity (-50 BPS) ⁽¹⁾	Modeled Interest Rate Sensitivity (+50 BPS) ⁽¹⁾	
Pass Through RMBS													
15yr 4.0	\$ 408	\$ 397	0.01%	\$ 97.35	4.00%	4.54%	53	126	0.7%	0.8%	\$ 7	\$ (7)	
15yr Total	408	397	0.01%	97.35	4.00%	4.54%	53	126	0.7%	0.8%	7	(7)	
30yr 3.0	2,601,125	2,281,997	71.29%	87.73	3.00%	3.44%	17	340	5.4%	5.7%	72,204	(74,402)	
30yr 3.5	219,548	201,102	6.28%	91.60	3.50%	4.03%	31	320	6.4%	9.7%	5,523	(5,658)	
30yr 4.0	277,584	258,719	8.08%	93.20	4.00%	4.72%	15	343	8.2%	7.5%	6,389	(6,881)	
30yr 4.5	371,742	354,747	11.08%	95.43	4.50%	5.45%	3	357	2.8%	5.0%	7,137	(7,952)	
30yr 5.0	54,797	53,441	1.67%	97.53	5.00%	5.92%	3	358	2.2%	n/a	911	(1,049)	
30yr Total	3,524,796	3,150,006	98.40%	89.37	3.30%	3.83%	16	341	5.3%	6.1%	92,164	(95,942)	
Total Pass Through RMBS	3,525,204	3,150,403	98.41%	89.37	3.30%	3.83%	16	341	5.3%	6.1%	92,171	(95,949)	
Structured RMBS													
IO 20yr 4.0	11,312	1,346	0.04%	11.90	4.00%	4.57%	129	104	11.2%	11.6%	6	(7)	
IO 30yr 3.0	3,252	409	0.01%	12.58	3.00%	3.64%	92	258	0.7%	29.3%	(1)	(1)	
IO 30yr 3.5	145,785	29,657	0.93%	20.34	3.50%	4.02%	44	310	8.7%	9.5%	(398)	274	
IO 30yr 4.0	94,055	17,600	0.55%	18.71	4.00%	4.60%	97	254	7.8%	11.3%	(409)	305	
IO 30yr 4.5	4,052	802	0.03%	19.79	4.50%	4.99%	147	200	10.7%	10.5%	(8)	5	
IO 30yr 5.0	2,242	460	0.01%	20.52	5.00%	5.36%	147	200	1.6%	3.8%	(8)	6	
IO Total	260,698	50,274	1.57%	19.28	3.72%	4.27%	70	278	8.3%	10.4%	(818)	582	
HIO 30yr 4.0	32,609	537	0.02%	1.65	1.51%	4.40%	60	289	0.6%	9.9%	141	(116)	
Total Structured RMBS	293,307	50,811	1.59%	17.32	3.48%	4.29%	69	279	7.5%	10.4%	(677)	466	
Total Mortgage Assets	\$ 3,818,511	\$ 3,201,214	100.00%		3.31%	3.86%	20	336	5.5%	6.5%	\$ 91,494	\$ (95,483)	
											Interest Rate Sensitivity (-50 BPS)⁽¹⁾	Interest Rate Sensitivity (+50 BPS)⁽¹⁾	
Hedge	Average Notional Balance	Hedge Period End											
5-Year Treasury Future ⁽²⁾	\$ (750,500)	Dec-2022										\$ (16,511)	\$ 18,056
10-Year Treasury Ultra ⁽³⁾	(174,500)	Dec-2022										(10,293)	9,310
Swaps	(1,400,000)	Jul-2028										(32,894)	31,793
TBA	(475,000)	Nov-2022										(13,153)	13,841
Swaptions	(625,300)	Jan-2024										(6,490)	7,544

Hedge Total	\$ (3,425,300)	\$ (79,341)	\$ 80,544
Rate Shock Grand Total		\$ 12,153	\$ (14,939)

- (1) Modeled results from Citigroup Global Markets Inc. Yield Book. Interest rate shocks assume instantaneous parallel shifts and horizon prices are calculated assuming constant LIBOR option-adjusted spreads. These results are for illustrative purposes only and actual results may differ materially.
- (2) Five-year Treasury futures contracts were valued at prices of \$107.51 at September 30, 2022. The market value of the short position was \$806.8 million.
- (3) Ten-year Treasury Ultra futures contracts were valued at prices of \$118.48 at September 30, 2022. The market value of the short position was \$206.8 million.

RMBS Assets by Agency

(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of September 30, 2022		
Fannie Mae	\$ 2,231,699	69.7%
Freddie Mac	969,515	30.3%
Total Mortgage Assets	\$ 3,201,214	100.0%

Investment Company Act of 1940 Whole Pool Test

(\$ in thousands)

Asset Category	Fair Value	Percentage of Portfolio
As of September 30, 2022		
Non-Whole Pool Assets	\$ 140,243	4.4%
Whole Pool Assets	3,060,971	95.6%
Total Mortgage Assets	\$ 3,201,214	100.0%

Borrowings By Counterparty

(\$ in thousands)

	Total	% of	Weighted	Weighted	
	Borrowings	Total	Average	Average	
As of September 30, 2022		Debt	Repo	Maturity	Longest
			Rate	in Days	Maturity
Daiwa Securities America Inc.	\$ 305,822	9.9%	3.05%	25	11/3/2022
Merrill Lynch, Pierce, Fenner & Smith	296,050	9.4%	2.81%	15	10/27/2022
Mirae Asset Securities (USA) Inc.	286,438	9.1%	3.02%	52	1/30/2023
Cantor Fitzgerald & Co	234,245	7.5%	3.04%	36	11/16/2022
J.P. Morgan Securities LLC	223,180	7.1%	2.90%	13	10/26/2022
Mitsubishi UFJ Securities (USA), Inc	206,189	6.6%	3.09%	33	11/8/2022
ED&F Man Capital Markets Inc	200,001	6.4%	3.12%	22	10/24/2022
ABN AMRO Bank N.V.	194,818	6.2%	2.89%	44	11/15/2022
RBC Capital Markets, LLC	173,422	5.5%	2.75%	7	10/13/2022
ING Financial Markets LLC	149,958	4.8%	3.14%	34	11/3/2022
Goldman, Sachs & Co	129,760	4.1%	3.14%	38	11/14/2022
Nomura Securities International, Inc.	123,060	3.9%	3.15%	39	11/14/2022
Santander Bank, N.A.	117,062	3.7%	3.14%	27	10/28/2022
Citigroup Global Markets Inc	111,594	3.6%	2.87%	28	11/3/2022
Wells Fargo Bank, N.A.	101,431	3.2%	2.88%	36	11/14/2022
Bank of Montreal	80,692	2.6%	3.14%	24	10/24/2022
StoneX Financial Inc.	74,348	2.4%	3.14%	24	10/24/2022
ASL Capital Markets Inc.	64,836	2.1%	3.15%	21	10/21/2022
South Street Securities, LLC	38,047	1.2%	3.12%	19	10/19/2022
Lucid Cash Fund USG LLC	22,908	0.7%	2.78%	13	10/13/2022
Total Borrowings	\$ 3,133,861	100.0%	3.00%	29	1/30/2023

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