

Item 8.01. Other Events.

On September 12, 2022, Orchid Island Capital, Inc. (the “Company”) announced that the Board of Directors of the Company declared a dividend for the month of September 2022 of \$0.16 per share of the Company’s common stock, to be paid on October 27, 2022 to holders of record on September 30, 2022, with an ex-dividend date of September 29, 2022. In addition, the Company announced certain details of its RMBS portfolio as of August 31, 2022 as well as certain other information regarding the Company. A copy of the Company’s press release announcing the dividend and other information regarding the Company 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 expected funding of purchased assets. 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 September 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: September 12, 2022

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley

Robert E. Cauley
Chairman and Chief Executive Officer

**ORCHID ISLAND CAPITAL ANNOUNCES
SEPTEMBER 2022 MONTHLY DIVIDEND AND AUGUST 31, 2022 RMBS
PORTFOLIO CHARACTERISTICS**

- September 2022 Monthly Dividend of \$0.16 Per Share of Common Stock
- RMBS Portfolio Characteristics as of August 31, 2022
- Next Dividend Announcement Expected October 12, 2022

Vero Beach, Fla., September 12, 2022 - Orchid Island Capital, Inc. (the "Company") (NYSE: ORC) announced today that the Board of Directors of the Company declared a monthly cash dividend for the month of September 2022. The dividend of \$0.16 per share will be paid October 27, 2022 to holders of record of the Company's common stock on September 30, 2022, with an ex-dividend date of September 29, 2022. The Company plans on announcing its next common stock dividend on October 12, 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 September 12, 2022, the Company had 35,075,239 shares of common stock outstanding. As of August 31, 2022 and 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.

RMBS Portfolio Characteristics

Details of the RMBS portfolio as of August 31, 2022 are presented below. These figures are preliminary and subject to change. The information contained herein is an intra-quarter update created by the Company based upon information that the Company believes is accurate:

- 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 expected funding of purchased assets. 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 ⁽¹⁾ | % of Portfolio | Current Price | Net Weighted Average Coupon | GWAC | Age | Weighted Average Maturity (Months) | Realized Aug 2022 CPR (1-Month) (Reported in Sep) | Realized Jun - Aug 2022 CPR (3-Month) (Reported in Sep) | Modeled Interest Rate Sensitivity (-50 BPS) ⁽²⁾ | Modeled Interest Rate Sensitivity (+50 BPS) ⁽²⁾ |
|--------------------------------|---------------------|---------------------------|----------------|---------------|-----------------------------|--------------|-----------|------------------------------------|---|---|--|--|
| Pass Through RMBS | | | | | | | | | | | | |
| 15yr 4.0 | \$ 411 | \$ 413 | 0.01% | \$ 100.46 | 4.00% | 4.54% | 52 | 127 | 0.7% | 0.8% | \$ 7 | \$ (7) |
| 15yr Total | 411 | 413 | 0.01% | 100.46 | 4.00% | 4.54% | 52 | 127 | 0.7% | 0.8% | 7 | (7) |
| 30yr 3.0 | 3,417,993 | 3,188,340 | 74.66% | 93.28 | 3.00% | 3.46% | 17 | 340 | 6.3% | 6.5% | 101,295 | (105,745) |
| 30yr 3.5 | 221,920 | 215,654 | 5.05% | 97.18 | 3.50% | 4.03% | 30 | 321 | 10.1% | 11.4% | 6,018 | (6,250) |
| 30yr 4.0 | 279,622 | 274,982 | 6.44% | 98.34 | 4.00% | 4.72% | 14 | 345 | 6.6% | 7.3% | 6,174 | (6,922) |
| 30yr 4.5 | 371,742 | 370,995 | 8.69% | 99.80 | 4.50% | 5.45% | 2 | 359 | n/a | n/a | 5,623 | (6,897) |
| 30yr 5.0 | 55,453 | 56,119 | 1.31% | 101.20 | 5.00% | 5.92% | 2 | 359 | 12.0% | n/a | 678 | (852) |
| 30yr Total | 4,346,730 | 4,106,090 | 96.15% | 94.46 | 3.24% | 3.77% | 16 | 341 | 6.6% | 6.8% | 119,788 | (126,666) |
| Total Pass Through RMBS | 4,347,141 | 4,106,503 | 96.16% | 94.46 | 3.24% | 3.77% | 16 | 341 | 6.6% | 6.8% | 119,795 | (126,673) |
| Structured RMBS | | | | | | | | | | | | |
| IO 20yr 3.0 | 321,009 | 37,756 | 0.88% | 11.76 | 3.00% | 3.69% | 74 | 159 | 10.0% | 10.9% | (331) | 153 |
| IO 20yr 4.0 | 11,540 | 1,373 | 0.03% | 11.90 | 4.00% | 4.57% | 128 | 105 | 13.3% | 12.3% | 1 | (4) |
| IO 30yr 3.0 | 40,417 | 6,292 | 0.15% | 15.57 | 3.00% | 3.69% | 38 | 315 | 13.3% | 14.5% | (173) | 135 |
| IO 30yr 3.5 | 491,842 | 91,966 | 2.15% | 18.70 | 3.50% | 4.01% | 57 | 294 | 10.4% | 11.0% | (1,736) | 1,154 |
| IO 30yr 4.0 | 143,093 | 24,875 | 0.58% | 17.38 | 4.00% | 4.55% | 76 | 275 | 12.3% | 14.7% | (837) | 668 |
| IO 30yr 4.5 | 4,105 | 725 | 0.02% | 17.66 | 4.50% | 4.99% | 146 | 201 | 11.6% | 10.6% | (18) | 14 |
| IO 30yr 5.0 | 2,253 | 445 | 0.01% | 19.73 | 5.00% | 5.36% | 146 | 201 | 2.4% | 14.1% | (14) | 11 |
| IO Total | 1,014,259 | 163,432 | 3.83% | 16.11 | 3.41% | 3.99% | 65 | 246 | 10.7% | 11.7% | (3,108) | 2,131 |
| HIO 30yr 4.0 | 34,042 | 736 | 0.02% | 2.16 | 1.92% | 4.40% | 60 | 290 | 23.4% | 12.8% | 181 | (159) |
| Total Structured RMBS | 1,048,301 | 164,168 | 3.84% | 15.66 | 3.36% | 4.00% | 65 | 248 | 11.1% | 11.7% | (2,927) | 1,972 |
| Total Mortgage Assets | \$ 5,395,442 | \$ 4,270,671 | 100.00% | | 3.27% | 3.82% | 25 | 323 | 7.6% | 7.8% | \$ 116,868 | \$ (124,701) |

| Hedge | Average Notional Balance | Hedge Period End | Interest Rate Sensitivity (-50 BPS) ⁽²⁾ | Interest Rate Sensitivity (+50 BPS) ⁽²⁾ |
|---------------------------------------|--------------------------|------------------|--|--|
| 5-Year Treasury Future ⁽³⁾ | \$ (1,200,500) | Dec-2022 | \$ (27,346) | \$ 31,640 |
| 10-Year Treasury Ultra ⁽⁴⁾ | (274,500) | Dec-2022 | (16,897) | 17,978 |
| Swaps | (1,400,000) | Jul-2028 | (35,518) | 34,325 |
| TBA | (175,000) | Oct-2022 | (5,361) | 5,550 |

| | | | | |
|-------------------------------|-----------------------|----------|--------------------|--------------------|
| Swaptions | (826,900) | Jul-2025 | (14,138) | 11,159 |
| Hedge Total | \$ (3,876,900) | | \$ (99,260) | \$ 100,652 |
| Rate Shock Grand Total | | | \$ 17,608 | \$ (24,049) |

- (1) Amounts in the tables above include assets with a fair value of approximately \$371.0 million purchased in August 2022, which settle in September 2022.
- (2) 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.
- (3) Five-year Treasury futures contracts were valued at prices of \$110.82 at August 31, 2022. The market value of the short position was \$1,330.4 million.
- (4) Ten-year Treasury Ultra futures contracts were valued at prices of \$125.19 at August 31, 2022. The market value of the short position was \$343.6 million.

RMBS Assets by Agency

(\$ in thousands)

| <u>Asset Category</u> | <u>Fair Value⁽¹⁾</u> | <u>Percentage of Portfolio</u> |
|------------------------------|---------------------------------|--------------------------------|
| As of August 31, 2022 | | |
| Fannie Mae | \$ 2,866,484 | 67.1% |
| Freddie Mac | 1,404,186 | 32.9% |
| Total Mortgage Assets | \$ 4,270,670 | 100.0% |

Investment Company Act of 1940 Whole Pool Test

(\$ in thousands)

| <u>Asset Category</u> | <u>Fair Value⁽¹⁾</u> | <u>Percentage of Portfolio</u> |
|------------------------------|---------------------------------|--------------------------------|
| As of August 31, 2022 | | |
| Non-Whole Pool Assets | \$ 259,030 | 6.1% |
| Whole Pool Assets | 4,011,640 | 93.9% |
| Total Mortgage Assets | \$ 4,270,670 | 100.0% |

- (1) Amounts in the tables above include assets with a fair value of approximately \$371.0 million purchased in August 2022, which settle in September 2022.

Borrowings By Counterparty

(\$ in thousands)

| | Total | % of | Weighted | Weighted | |
|---------------------------------------|---------------------------|---------------|--------------|-----------|------------------|
| | Borrowings ⁽¹⁾ | Total | Average | Average | |
| As of August 31, 2022 | | Debt | Repo | Maturity | Longest |
| | | | Rate | in Days | Maturity |
| J.P. Morgan Securities LLC | \$ 350,323 | 9.3% | 2.41% | 13 | 9/26/2022 |
| Mirae Asset Securities (USA) Inc. | 347,836 | 9.3% | 2.06% | 43 | 1/30/2023 |
| Mitsubishi UFJ Securities (USA), Inc | 328,481 | 8.8% | 2.71% | 36 | 11/8/2022 |
| ABN AMRO Bank N.V. | 321,115 | 8.6% | 2.62% | 57 | 11/15/2022 |
| Merrill Lynch, Pierce, Fenner & Smith | 313,086 | 8.4% | 2.50% | 24 | 10/21/2022 |
| Cantor Fitzgerald & Co | 244,711 | 6.5% | 2.55% | 38 | 11/16/2022 |
| ED&F Man Capital Markets Inc | 232,222 | 6.2% | 2.36% | 21 | 9/22/2022 |
| RBC Capital Markets, LLC | 224,605 | 6.0% | 2.38% | 6 | 9/14/2022 |
| ING Financial Markets LLC | 199,799 | 5.3% | 2.38% | 22 | 9/22/2022 |
| Daiwa Capital Markets America Inc. | 179,821 | 4.8% | 2.36% | 17 | 9/22/2022 |
| Santander Bank, N.A. | 171,740 | 4.6% | 2.51% | 28 | 9/29/2022 |
| Goldman, Sachs & Co. | 157,918 | 4.2% | 2.51% | 27 | 9/29/2022 |
| ASL Capital Markets Inc. | 136,326 | 3.6% | 2.38% | 16 | 9/16/2022 |
| Wells Fargo Bank, N.A. | 119,485 | 3.2% | 2.48% | 37 | 11/10/2022 |
| Citigroup Global Markets Inc | 115,187 | 3.1% | 2.53% | 39 | 10/24/2022 |
| BMO Capital Markets Corp. | 109,982 | 2.9% | 2.44% | 25 | 11/18/2022 |
| StoneX Financial Inc. | 77,380 | 2.1% | 2.39% | 22 | 9/22/2022 |
| South Street Securities, LLC | 59,791 | 1.6% | 2.39% | 19 | 9/19/2022 |
| Nomura Securities International, Inc. | 35,099 | 0.9% | 2.38% | 21 | 9/21/2022 |
| Lucid Cash Fund USG, LLC | 23,506 | 0.6% | 2.38% | 8 | 9/8/2022 |
| Total Borrowings | \$ 3,748,413 | 100.0% | 2.44% | 29 | 1/30/2023 |

(1) In August 2022, the Company purchased assets with a fair value of approximately \$371.0 million, which settle in September 2022 that are expected to be funded substantially by repurchase agreements not included in the table above.

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