

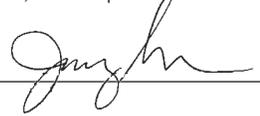
Part II Organizational Action *(continued)*

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

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The reportable tax year is 2020

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 ▶  Date ▶ January 15, 2021

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)
12/31/2019	1/31/2020	\$ 0.080	\$ 0.012800
1/31/2020	2/26/2020	\$ 0.080	\$ 0.012800
2/28/2020	3/27/2020	\$ 0.080	\$ 0.012800
3/31/2020	4/28/2020	\$ 0.080	\$ 0.012800
4/30/2020	5/27/2020	\$ 0.055	\$ 0.008800
5/29/2020	6/26/2020	\$ 0.055	\$ 0.008800
6/30/2020	7/29/2020	\$ 0.055	\$ 0.008800
7/31/2020	8/27/2020	\$ 0.060	\$ 0.009600
8/31/2020	9/28/2020	\$ 0.065	\$ 0.010400
9/30/2020	10/28/2020	\$ 0.065	\$ 0.010400
10/30/2020	11/25/2020	\$ 0.065	\$ 0.010400
11/30/2020	12/29/2020	\$ 0.065	\$ 0.010400