



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

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18 Can any resulting loss be recognized? ▶ See attachment.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

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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 ▶ Amy M. O'Brien Date ▶ 4/4/2024  
Print your name ▶ Amy M O'Brien Title ▶ VP, Treasurer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Jennifer Flaherty		4/4/24		P01067087
	Firm's name ▶ PwC US Tax LLP			Firm's EIN ▶	92-0460586
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BCMH Inc.  
EIN: 38-3895930

**ATTACHMENT TO FORM 8937 – PART II**  
**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

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The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended. The information in this document does not constitute tax advice and should not be construed to take into account any shareholder's specific circumstances. Holders and nominees should consult their own tax advisors regarding the particular tax consequences of the organizational action (as described in this document) to them, including the applicability and effect of all U.S. federal, state, and local and foreign tax laws.

**Lines 9 and 10. Classification, Description and CUSIP Number**

<u>Debt Instrument</u>	<u>CUSIP</u>
First Lien Term Loan	03759DAK4
Second Lien Term Loan	03759DAL2
Tranche A Term Loan	03759DAN8
Tranche B Term Loan	03759DAP3

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which the shareholders' ownership is measured from the action.**

On February 20, 2024 (the “**Effective Date**”), BCMH, Inc. and its subsidiaries (“**BCMH**”) entered into a debt restructuring agreement (the “**Omnibus Exchange Agreement**”) with certain of its creditors (the “**Participating Lenders**”). These creditors were holders of the following: (i) first lien credit facility entered into on February 8, 2022 (the “**First Lien Term Loan**” and the participating creditors, the “**First Lien Participating Term Lenders**”), and (ii) the second lien credit facility entered into on February 8, 2022 (the “**Second Lien Term Loan**” and the participating creditors, the “**Second Lien Participating Term Lenders**”).

Pursuant to the Omnibus Exchange Agreement, each First Lien Participating Term Lender exchanged its rights, title, and interest in the First Lien Term Loan for a new term loan (the “**Tranche A Term Loan**”) at an exchange price of 90.0% (the “**First Lien Exchange**”).

Pursuant to the Omnibus Exchange Agreement, each Second Lien Participating Lender exchanged its right, title, and interest in the Second Lien Term Loan for (i) a new term loan at an exchange price of 75.0% (the “**Tranche B Term Loan**”) (ii) its pro rata portion of an aggregate of 128,957.85 shares of voting common stock of BCMH (the “**Issued Common Stock**”) representing 15% of all issued and outstanding common stock of BCMH, and (iii) its pro rata share of warrants to purchase an aggregate of 16,973.31 shares of common stock of BCMH, representing 15% of the options outstanding as of the end of day on the Effective Date (the “**Issued Warrants**”) (the “**Second Lien Exchange**” or collectively with the First Lien Exchange, the “**Exchanges**”).

All accrued and unpaid interest on the First Lien Term Loan and Second Lien Term Loan was paid to Participating Lenders in cash on the Effective Date.

**Line 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.**

The Exchanges are expected to result in separate debt-for-debt exchanges of each of the First Lien Term Loan and the Second Lien Term pursuant to section 1001 whereby gain or loss may be realized by the Participating Lenders if the Exchanges result in a “significant modification” of the First Lien Term Loan and the Second Lien Term Loan. BCMH intends to take the position that the Exchanges gave rise to a “significant modification” pursuant to section 1001 and Treas. Reg. Section 1.1001-3. The Participating Lenders are expected to realize gain or loss as a result of the Exchanges; such gain or loss may be recognized depending on the tax treatment of the Exchange as described below.

The tax treatment of the Exchanges depends on whether the Exchanges constitute reorganizations pursuant to section 368(a)(1)(E). Reorganization treatment in turn depends on whether the applicable term loans constitute a “security” for purposes of the reorganization provisions of the Code. Neither the Code nor the Treasury Regulations define the term security. Whether a debt instrument is a security is based on all the facts and circumstances; however, most authorities have held that the term to maturity of the debt instrument is one of the most significant factors. In this regard, debt instruments with a term of ten years or more generally have qualified as securities, whereas debt instruments with a term of less than five years generally have not qualified as securities. The First Lien Term Loan and the Second Lien Term Loan had terms of seven years and eight years, respectively. The Tranche A Term Loan and the Tranche B Term Loan have maturity dates of February 8, 2029, and February 8, 2030, respectively. To the extent applicable, the issue price of the Tranche A Term Loan and Tranche B Term Loan will be reported separately by BCMH in accordance with Treasury Reg. section 1.1273-2(f)(9).

Recapitalization Treatment: If the applicable term loan constitutes a security for U.S. federal income tax purposes, the First Lien Exchange and/or the Second Lien Exchange is expected to qualify as a reorganization pursuant to section 368(a)(1)(E). In such case, the Participating Lenders are generally not expected to recognize any gain or loss with respect to the First Lien Exchange or the Second Lien Exchange, except to the extent of cash or other “boot” received by the Participating Lender (other than cash for accrued and unpaid interest).

Taxable Exchange: If an applicable term loan does not constitute a security for U.S. federal income tax purposes, the Exchanges are expected to be taxable. In such case, a First Lien Participating Term Lender is expected to recognize gain or loss equal to the difference between (i) the issue price of the Tranche A Term Loan and (ii) the adjusted tax basis in the First Lien Term Loan. A Second Lien Participating Lender is expected to recognize gain or loss equal to the difference between (i) the sum of (a) the issue price of the Tranche B Term Loan, (b) the fair market value of the Issued Common Stock, and (c) the fair market value of the Issued Warrants, and (ii) the adjusted tax basis in the Second Lien Term Loan.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market value of securities and the valuation date.**

See response to Line 15 above.

To the extent that the First Lien Exchange is treated as a recapitalization under section 368(a)(1)(E), the Participating Lender’s tax basis in the Tranche A Term Loan is expected to equal the Participating Lender’s tax basis in the First Lien Term Loan surrendered in the First Lien Exchange.

To the extent that the Second Lien Exchange is treated as a recapitalization under section 368(a)(1)(E), the Participating Lender’s tax basis in the Tranche B Term Loan, the Issued Common Stock, and the Issued Warrants received is expected to equal the Participating Lender’s tax basis in the Second Lien Term Loan surrendered in the Second Lien Exchange. Such tax basis should be allocated amongst the Tranche B Term Loan, the Issued Common Stock, and the Issued Warrants received in accordance with

their relative fair market value.

To the extent the Exchanges do not qualify as a recapitalization under section 368(a)(1)(E), the Participating Lender's tax basis in the property received will equal the amount taken into account in determining gain or losses.

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 356, 358, 368, 1001, 1012, 1273, and 1275.

**Line 18. Can any resulting loss be recognized?**

If the Exchanges are treated as recapitalizations under section 368(a)(1)(E), then the Participating Lenders should not recognize loss.

If the Exchanges are treated as taxable, then loss may be recognized. See response to Line 15 above for circumstances that may result in a loss to a Participating Lender.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Effective Date was February 20, 2024. For a taxpayer whose taxable year is the calendar year, the reportable tax year is 2024.