

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| FORTRESS BIOTECH, INC. | | 20-5157386 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| ROBYN HUNTER | 781-652-4507 | RHUNTER@FORTRESSBIOTECH.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 | |
| 2 GANSEVOORT STREET, 9TH FLOOR | | NEW YORK, NY 10014 | |
| 8 Date of action | | 9 Classification and description | |
| SEE STATEMENT 1 | | 9.375% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 34960Q208 | N/A | FBIOP | N/A |

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 ► FORTRESS BIOTECH, INC. ("FORTRESS") PAID CASH DISTRIBUTIONS TO ITS 9.375% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK ("SERIES A PREFERRED STOCK") SHAREHOLDERS ON MARCH 31, 2019, JULY 1, 2019, SEPTEMBER 30, 2019 AND DECEMBER 31, 2019.

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 ► FORTRESS PAID QUARTERLY CASH DISTRIBUTIONS OF \$0.5859375 PER SHARE OF SERIES A PREFERRED STOCK IN 2019. FORTRESS DID NOT HAVE CURRENT OR ACCUMULATED EARNINGS AND PROFITS AS OF DECEMBER 31, 2019. THE DISTRIBUTIONS CONSTITUTED RETURN OF CAPITAL TO THE EXTENT OF THE SHAREHOLDER'S TAX BASIS. TO THE EXTENT THAT THE DISTRIBUTIONS EXCEEDED THE SHAREHOLDER'S TAX BASIS, THE SHAREHOLDER WOULD RECOGNIZE A GAIN.

THE RETURN OF CAPITAL TO THE EXTENT OF THE SHAREHOLDER'S TAX BASIS IS AS FOLLOWS:

| DISTRIBUTIONS PAID ON: | PER SHARE REDUCTION OF BASIS IN SERIES A PREFERRED STOCK |
|------------------------|--|
| MARCH 31, 2019 | \$0.5859375 |
| JULY 1, 2019 | \$0.5859375 |
| SEPTEMBER 30, 2019 | \$0.5859375 |
| DECEMBER 31, 2019 | \$0.5859375 |

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 SHAREHOLDER'S TAX BASIS IS REDUCED BY \$0.5859375, MULTIPLIED BY THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK THE SHAREHOLDER OWNS.

Part II Organizational Action (continued)

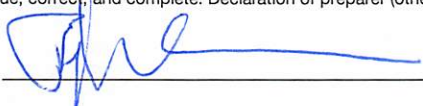
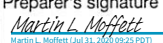
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

INTERNAL REVENUE CODE IRC SECTIONS 301(c), 316(a) AND 1016.

18 Can any resulting loss be recognized? ► **THE DISTRIBUTION ON A PER SHARE BASIS REDUCED THE SHAREHOLDER'S TAX BASIS OF EACH SHARE HELD ON THE DATE OF DISTRIBUTION TO THE EXTENT OF THE SHAREHOLDER'S TAX BASIS. UPON DISPOSITION OF ALL OR A PORTION OF THE SHARES, THE SHAREHOLDER SHOULD RECOGNIZE GREATER TAX GAIN OR LESS TAX LOSS.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **THE REPORTABLE TAX YEAR FOR THE DISTRIBUTION FOR EACH SHAREHOLDER IS THE TAXABLE YEAR THAT INCLUDES DECEMBER 31, 2019.**

THE INFORMATION CONTAINED ON THIS FORM DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS OF SERIES A PREFERRED STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR INDIVIDUAL TAX CONSEQUENCES OF THE DISTRIBUTIONS.

| | | | | |
|-------------------------------|---|--|-------------------------------------|--|
| Sign Here | 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. | | | |
| | Signature ►  | | Date ► 07.31.2020 | |
| Paid Preparer Use Only | Print your name ► Robyn Hunter | | Title ► CFO, Fortress Biotech, Inc. | |
| | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed PTIN |
| | MARTIN L. MOFFETT |  <small>Martin L. Moffett (Jul 31, 2020 09:25 PDT)</small> | Jul 31, 2020 | P00445301 |
| | Firm's name ► MOFFETT & ASSOCIATES | Firm's EIN ► 81-4577171 | Phone no. 310-820-1025 | |
| | Firm's address ► 1960 E. GRAND AVE, SUITE 280, EL SEGUNDO, CA 90245 | | | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Fortress Biotech, Inc.
FEIN: 20-5157386
Attachment to and Made Part of Form 8937

PART I: Reporting Issuer

Box 8 *Date of action:*

March 31, 2019, July 1, 2019, September 30, 2019, December 31, ,2019






FBIOP 2019 FORM 8937_corrected v7.30.20 RMH Executed

Final Audit Report

2020-07-31

| | |
|-----------------|--|
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| Status: | Signed |
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