

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 attached](#)

18 Can any resulting loss be recognized? ▶ [See attached](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached](#)

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 ▶ Carl Lukach Date ▶ 2/24/26

Paid Preparer Use Only	Print your name ▶ Carl Lukach	Preparer's signature	Title ▶ EVP Chief Financial Officer	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

Bob's Discount Furniture, Inc.
1-for-1.56565 Reverse Stock Split of Common Stock
Attachment to Form 8937

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.

Part II – Organizational Action

Line 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.

On January 22, 2025, Bob's Discount Furniture, Inc. (the "Corporation") effected a 1-for-1.56565 reverse stock split for its outstanding shares of common stock. Pursuant to the reverse stock split, every 1.56565 shares of issued and outstanding common stock automatically converted into one share of common stock. A shareholder who would have otherwise been entitled to a fractional share as a result of the reverse stock split received cash in lieu thereof and was deemed for federal income tax purposes to have received and then immediately sold such fractional share for cash.

Line 15. Describe the quantitative effort 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.

Upon the effective date of the reverse stock split, every 1.56565 shares of common stock of the Company automatically converted into one share of common stock. As a result, shareholders must allocate the aggregate tax basis in their shares held immediately prior to the reverse stock split among the shares held immediately after the reverse stock split (including consideration of any fractional interest for which cash was received). Shareholders that have acquired different blocks of common stock at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, that common stock.

Line 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.

See the answer to Line 15. While the basis "per share" is impacted, the basis of the shareholder's total investment remains unchanged. Shareholders with blocks of pre-split common stock not divisible by 1.56565 which reflect pre-split common stock acquired at different times or different prices must replicate such blocks of pre-split common stock in the post-split common stock received pursuant to a formula provided in Treasury regulations that seek to preserve, to the greatest extent possible the basis of a particular block of pre-split common stock in one of more post-split common stock shares received in exchange therefor. This may require the aggregate basis in one block of pre-split common stock to be allocated to post-split common stock in a manner where some post-split common stock blocks may have split basis and holding period segments. Because no fractional shares were issued, the aggregate tax basis of the Corporation common stock held by a shareholder immediately after the reverse stock split

could be less than the pre-split aggregate tax basis by an amount equal to the aggregate tax basis allocated to fractional shares, if any.

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

IRC Sections 354(a), 358(a), 368(a) and 1001

Line 18. Can any resulting loss be recognized?

The 1-for-1.56565 reverse stock split is intended to be treated as a recapitalization for U.S. Federal income tax purposes. Therefore, except as described below with respect to cash in lieu of a fractional share, a shareholder will not recognize any gain or loss for U.S. federal income tax purposes upon the combination of pre-reverse stock split shares into post-reverse stock split shares pursuant to the reverse stock split.

In general, a shareholder who receives cash payment in lieu of a fractional share will recognize capital gain or loss equal to the difference between the amount of cash received in lieu of the fractional share and the portion of the holder's tax basis of the pre-reverse stock split shares that is allocable to the fractional share. Such gain or loss generally will be long-term capital gain or loss if the shareholder's holding period in its pre-reverse stock split shares is more than one year as of the reverse stock split date. The deductibility of net capital losses by individuals & corporations is subject to limitations.

Line 18. Provide any other information necessary to implement the adjustment, such as the reportable year.

The reportable tax year in which the reverse stock split occurred is 2026.