

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  <b>ARSENAL AIC PARENT LLC</b>		<b>2</b> Issuer's employer identification number (EIN)  <b>93-1365927</b>	
<b>3</b> Name of contact for additional information  <b>MICHEL GEMAYEL</b>	<b>4</b> Telephone No. of contact  <b>412-315-2984</b>	<b>5</b> Email address of contact	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>201 ISABELLA STREET</b>		<b>7</b> City, town, or post office, state, and ZIP code of contact  <b>PITTSBURGH, PA 15212</b>	
<b>8</b> Date of action  <b>FEBRUARY 24, 2025</b>		<b>9</b> Classification and description  <b>SEE ATTACHMENT</b>	
<b>10</b> CUSIP number  <b>SEE ATTACHMENT</b>	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)

## 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 ▶ **SEE ATTACHMENT**

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**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 ▶ **SEE ATTACHMENT**

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**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 ATTACHMENT**

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**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 ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print your name ▶	Preparer's signature	Title ▶	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name	Date		Firm's EIN ▶	
	Firm's name ▶			Phone no.	
	Firm's address ▶				

**Arsenal AIC Parent LLC**  
**EIN: 93-1365927**

**ATTACHMENT TO FORM 8937**  
**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 “Code”). The information in this document does not constitute tax advice and should not be construed to take into account any holder’s specific circumstances. Lenders 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 laws.

**Part I, Line 9. Classification and description**

Please see below for the classification and description for the securities related to reporting.

- Total of \$1,407,258,660.94 in aggregate principal amount of existing term B loans (the “**Existing Loans**”).
- Total of \$1,407,258,660.94 in aggregate principal amount of new term B loans (the “**New Loans**”).

**Part I, Line 10. CUSIP number**

<u>Debt Instrument</u>	<u>CUSIP</u>
Existing Loans	04287KAF8
New Loans	04287KAG6

**Part II 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 24, 2025 (the “**Closing Date**”), Arsenal AIC Holdings II LLC (“**Holdings**”), Arsenal AIC Parent LLC (the “**Borrower**”), each “**Subsidiary Loan Party**” (each, a “**Subsidiary Loan Party**” and, collectively, jointly and severally, the “**Subsidiary Loan Parties**”), JPMorgan Chase Bank, N.A. as Administrative Agent (the “**Administrative Agent**”), and each of the lenders party hereto entered into an Incremental Assumption and Amendment Agreement No. 3 (the “**Third Amendment**”). Substantially all of the New Loans were issued to lenders of Existing Debt (“**Exchanging Lenders**”) in redemption thereof (the “**Exchange**”).

In addition to the basis reporting herein, Treas. Reg. § 1.1273-2(f)(9) requires the Company to provide this statement to the lenders of the New Loans as to the determination of the issue price for U.S. federal income tax purposes. The Company has concluded that the New Loans were “traded on an established market” for purposes of determining the issue price under the rules in Treas. Reg. § 1.1273-2(f). In accordance with such rules, the Company has determined the issue price of the New Loans to be 100.375% of their principal amount.

**Part II 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 basis of the consideration received by the Exchanging Lenders in the Exchange will depend, in part, on whether the Exchange resulted in a “significant modification” of the Existing Loans for U.S. federal income tax purposes pursuant to the rules set forth in Section 1001 of the Code and Treas. Reg. Section 1.1001-3. Borrower expects that under these rules the Exchange resulted in the Existing Loans being “significantly modified,” and thus deemed exchanged for the New Loans issued in exchange therefor.

The tax treatment of the Exchange depends on whether the Exchange constitutes a reorganization pursuant to Section 368(a)(1)(E) of the Code (i.e., a “tax-free recapitalization”). Reorganization treatment, in turn, depends on whether the instruments exchanged (i.e., the Existing Loans and the New Loans) constitute “securities” 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, the maturity of a debt instrument has generally been a focus of the courts when evaluating whether such instrument should be treated as a “security” for these purposes. 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 Existing Loans had terms of seven years. The New Loans have terms of approximately five years and six months. Under a published IRS ruling, the term of a debt instrument received in a transaction that qualifies as a “reorganization” under the Code (including a tax-free recapitalization) in exchange for another debt instrument may, in certain circumstances, be treated as including the latter’s original term in determining whether the newly received debt instrument is a security.

Recapitalization Treatment: If the New Loans constitute securities for U.S. federal income tax purposes, the Exchange is expected to qualify as a reorganization pursuant to Section 368(a)(1)(E) of the Code. In such case, the Exchanging Lenders are generally not expected to recognize any gain or loss with respect to the Exchange, except to the extent of cash or other “boot” received by the Exchanging Lenders (other than cash for accrued and unpaid interest). The Exchanging Lenders are generally expected to recognize gain to the extent of the lesser (a) the amount of cash received (excluding the amount treated as received in satisfaction of accrued but untaxed interest), and (b) (i) the sum of (1) the amount of cash received (excluding the amount treated as received in satisfaction of accrued but untaxed interest) and (2) the issue price of the New Loans, minus (ii) the Exchanging Lenders’ adjusted tax basis in the Existing Loans surrendered.

The basis of the New Loans received in the Exchange by the Exchanging Lenders is expected to equal the adjusted tax basis of the Existing Loans surrendered in the Exchange, decreased by the amount of any cash and other “boot” received and increased by the amount of gain recognized by the Exchanging Lenders.

Taxable Exchange: If the Existing Loans and New Loans do not each constitute a security for U.S. federal income tax purposes, the Exchange is expected to be taxable to the lenders. In such case, the Exchanging Lenders are generally expected to recognize gain or loss equal to the difference between (i) the fair market value of the New Loans and any other property and cash received, and (ii) their adjusted tax basis in the Existing Loans. The Exchanging Lenders’ tax basis in the property received will equal the amount taken into account in determining gain or loss.

Exchanging Lenders should consult their own tax advisors to determine the tax consequences of the Exchange to them.

**Part II 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.

**Part II 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, 1274, and 1275 of the Code.

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

If the Exchange is treated as a recapitalization under Section 368(a)(1)(E) of the Code, then the Exchanging Lenders should not recognize loss.

If the Exchange is treated as taxable, then loss may be recognized. See response to Line 15 above for circumstances that may result in a loss to an Exchanging Lender.

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

The Closing Date was February 24, 2025. For a taxpayer whose taxable year is the calendar year, the reportable tax year is 2025.