

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)	
DSS, Inc.		16-1229730	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Todd D. Macko	585-924-8460	todd.macko@dssworld.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	
275 Wiregrass Pkwy		West Henrietta, NY 14586	
8 Date of action		9 Classification and description	
August 8, 2023		distribution of common stock of subsidiary	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
26253C102		DSS	

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 ►

On August 8, 2023, DSS, Inc. ("DSS") distributed to its common stockholders as of July 10, 2023, 4 shares of common stock of Impact Biomedical Inc. ("ImpactBio") owned by DSS for each share of DSS stock owned by DSS shareholders. The distribution was made pro rata to the shareholders except that no distribution was made to the Chairman of the Board of DSS or to any of his affiliates that hold shares of DSS Common Stock.

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 ►

Distributions paid in excess of the current and accumulated earnings and profits ("E&P") of a corporation reduce the basis of the shares of the corporation in the hands of the shareholder pursuant to Internal Revenue Code ("IRC") §301 (c)(2) and 316(a).

At this time, and based on reasonable assumptions of E&P, DSS estimates that the entire distribution of shares will exceed its current and accumulated E&P. Accordingly, no part of the distribution will be treated as a dividend and the entire distribution will be treated as a return of capital (with a reduction in basis) or a capital gain, depending upon a shareholder's basis in DSS stock.

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 ►

A stockholder's basis in DSS stock is reduced (but not below zero) by the fair market value of the Impact Bio stock received by the shareholder on the date of the distribution. On August 8, 2023, Impact Bio had a par value of \$0.001 which DSS believes is the only measure of its fair market value. (However, the fair market value of a company is a question of opinion and different appraisers may have different opinions. Financial information on Impact Bio is available from DSS upon request.) If the fair market value of the Impact Bio stock received by a DSS shareholder exceeded the shareholder's basis in his DSS stock, the shareholder has a capital gain to the extent of the excess.

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 316 - Dividend defined

Section 301(a) - (d) - Distribution of Property

Section 317 - Property defined

Section 312 - Effect on earning and profits

Reg. Section 1.1502-33 - Earnings and profits (this section applies to taxpayers filing a consolidated federal corporate income tax return)

Other Code sections further defining adjustments to E&P that are not contained in Section 312

18 Can any resulting loss be recognized? ▶

No loss can be recognized from the distribution of the Impact Bio stock

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

The adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g. 2023 for calendar year taxpayers).

A DSS shareholder's basis in the Impact Bio stock received in the distribution will be the fair market value of the stock on the date of distribution.

This Form 8937 ("Report") is based upon the Code, the Treasury Regulations promulgated thereunder, other published administrative guidance and court and administrative rulings and decisions, all in effect as of the date this Report was first posted for the purpose of public reporting.

The information in this Report or any attachment thereto does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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 ▶

8/15/2023

Print your name ▶ Todd D. Macko

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name

Michael Savage

Preparer's signature



Date

8/15/23

Check ☒ if self-employed

PTIN

5000-90527R

Firm's name ▶ Sichenzia Ross Ference, LLP

Firm's EIN ▶

13-4001032

Firm's address ▶ 1185 Ave of the Americas 31st Fl NY NY 10036

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