

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Akhiok-Kaguyak, Inc.</u>		2 Issuer's employer identification number (EIN) <u>92-0079487</u>	
3 Name of contact for additional information <u>Nancy Grigsby</u>	4 Telephone No. of contact <u>907-290-2785</u>	5 Email address of contact <u>info@aki-kodiak.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>1400 West Benson Blvd., Ste. 500</u>		7 City, town, or post office, state, and ZIP code of contact <u>Anchorage, AK 99503</u>	
8 Date of action <u>2/14/2022 6/13/2022 & 11/21/2022</u>		9 Classification and description <u>All common stock (includes settlement and elder stock classes)</u>	
10 CUSIP number <u>N/A</u>	11 Serial number(s) <u>N/A</u>	12 Ticker symbol <u>N/A</u>	13 Account number(s) <u>N/A</u>

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 2/14/2022, 6/13/2022 and 11/21/2022 Akhiok-Kaguyak, Inc. (AKI) Shareholders Permanent Fund paid cash dividends with respect to all AKI issued and outstanding classes of stock identified in Part 1. Per share dividends of \$22.80, \$10.68 and \$10.68 were paid on the dates above respectively.

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 ▶ Shareholders of AKI common stock on Feb 14, 2022 and June 13 2022, and November 21, 2022 should reduce their basis in those shares by \$22.80/share, \$10.68/share, and \$10.68/ share respectively.

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 Statement 1

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sec. 316(a)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Items disclosed on this form affect the 2022 taxable year. The calculation of 2022 Earnings and Profits is based on estimates since the actual amounts are not available prior to the reporting deadline for this form. Should Earnings and profits for the 2022 taxable year exceed \$0, AKI will post a corrected form.

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 ▶ *Nancy Grigsby* Date ▶ 3/17/2023

Print your name ▶ Nancy Grigsby Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Justin Thomas	<i>Justin Thomas</i>	3/17/2023		P02043445
Firm's name ▶ Thomas & Thomas, LLC	Firm's EIN ▶ 81-3340608		Phone no. (907) 947-1629	
Firm's address ▶ PO Box 733, Girdwood, AK 99587				

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

Statement 1

Line 16

AKI has no accumulated Earnings and Profits as described in Section 316(a)(1) of the Internal Revenue

Code. In addition, AKI estimates that it will have no Earnings and Profits for the 2022 taxable year.

Accordingly, AKI believes the per share distributions of \$22.80 (2/14/2022) \$10.68 (6/13/2022) and

\$10.68 (11/21/2022) are non-taxable dividends and the shareholders of AKI on the date of those

distributions must reduce their basis in those shares. AKI stock is not traded on a public stock exchange.

There is no active market to value the stock of the corporation.