

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>Medalist Diversified REIT, Inc.</b>		2 Issuer's employer identification number (EIN) <b>47-5201540</b>	
3 Name of contact for additional information <b>Brent Winn</b>	4 Telephone No. of contact <b>804-338-7708</b>	5 Email address of contact <b>bwinn@medalistreit.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>P. O. Box 8436</b>		7 City, town, or post office, state, and ZIP code of contact <b>Richmond, VA 23226</b>	
8 Date of action <b>December 31, 2023</b>	9 Classification and description <b>Treatment of distributions to preferred shareholders during 2023</b>		
10 CUSIP number <b>58403P204</b>	11 Serial number(s)	12 Ticker symbol <b>MDRRP</b>	13 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 ▶ **Distributions of \$2.00 per share paid to holders of MDR preferred stock should all be treated as a return of capital.**

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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 ▶ **Reduce shareholder's basis by the amount of each dividend paid during 2023, if the shareholder owned the stock on the record date and received the dividend.**

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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 ▶ \_\_\_\_\_

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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 ▶ \_\_\_\_\_

The company made distributions of \$2.00 per preferred share during 2023. These distributions are not classified as a dividend under IRC Section 316 due to the lack of current year or accumulated E&P and therefore, under IRC Section 301(c)(2) these distributions are to be applied to reduce the shareholder's adjusted basis in the preferred stock. Any amount in excess of the basis is to be treated as a gain from the sale or exchange of property under IRC Section 301(c)(3).

18 Can any resulting loss be recognized? ▶ Not applicable.

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

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 ▶ Brent Winn Date ▶ 1/9/2024  
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Print your name ▶ Brent Winn Title ▶ CFO

**Paid Preparer Use Only**

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