



**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 1

Blank lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT 1

Blank lined area for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT 1

Blank lined area for providing other information necessary to implement the adjustment.

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 ▶ [Handwritten Signature] Date ▶ 12/16/2020

Print your name ▶ RELLAND WINAND Title ▶ CHIEF FINANCIAL OFFICER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	FRANCIS PERRY				P01246192
	Firm's name ▶ GLOBAL TAX MANAGEMENT, INC.			Firm's EIN ▶	23-2817942
	Firm's address ▶ 656 E. SWEDES FORD ROAD, SUITE 200, WAYNE, PA 19087			Phone no.	484-395-4000

**INNOVATIVE SOLUTIONS & SUPPORT, INC.**  
**TO FORM 8937**  
**ATTACHMENT 1**  
**WITH RESPECT TO RETURN OF CAPITAL DISTRIBUTIONS**  
**MADE DURING THE FISCAL YEAR ENDING 9/30/2021**

**Part II, Box 14**

Innovative Solutions & Support, Inc. declared and paid cash distributions to shareholders of record on the dates shown below. Each of these distributions constituted both a dividend to the extent of earnings and profit and a return of capital for U.S. Federal Income Tax purposes.

Distributions made to holders of Innovative Solutions & Support, Inc. Common Stock (Ticker Symbol: ISSC , CUSIP: 45769N105 were as follows:

<b>Record Date</b>	<b>Payable Date</b>	<b>Distribution Rate per Share</b>	<b>Amount Constituting Dividend</b>	<b>Amount Constituting Return of Capital</b>
9/15/2020	10/1/2020	\$0.65	35%	65%

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**Part II, Box 15**

Of the total \$0.65 per share cash distribution on October 1, 2020, the Issuer has estimated that 35% per share of this distribution is out of earnings and profits and is taxable as a dividend. The remaining 65% per share of this distribution should be treated as a return of capital that reduces the shareholder's tax basis in the Issuer's shares, and any amount in excess of the shareholder's basis in the Issuer's shares will generally be treated as capital gain.

**Part II, Box 16**

The allocation of the \$0.65 per share cash distribution as described above is based on an estimate of the Issuer's earnings and profits through the current fiscal year ending September 30, 2021. The final allocation of this distribution (between dividend and return of capital) will depend upon the amount of the Issuer's earnings and profits as of September 30, 2021, the end of the Issuer's current fiscal year, as determined by the Internal Revenue Code. The Issuer has made reasonable assumptions about its earnings and profits in preparing its estimate of earnings and profits and the allocation of the distribution between dividend and return of capital.

**Part II, Box 17**

Tax consequences are determined under Sections 301(c), Section 312, Section 316 (a) and 1001 of the Code.

**Part II, Box 18**

No tax loss will arise from the receipt of these cash distributions.

**Part II, Box 19**

Adjustments to the tax basis of stock (and of any taxable gain) resulting from these cash distributions are reportable in the tax period in which each distribution was received. For calendar year taxpayers, the reportable tax year for the aggregate distributions received is 2020.

***Individual tax consequences may vary. Shareholders are urged to consult their own tax advisors. The information contained herein does not constitute tax advice. It is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties or in the promotion, marketing, or recommendation of any transaction or matter addressed herein.***