

CORRECTED

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

**Report of Organizational Actions
Affecting Basis of Securities**

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name INNOVATIVE SOLUTIONS & SUPPORT, INC.		2 Issuer's employer identification number (EIN) 23-2507402	
3 Name of contact for additional information RELLAND WINAND	4 Telephone No. of contact 610-646-0350	5 Email address of contact rwinand@innovative-ss.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 720 PENNSYLVANIA DRIVE		7 City, town, or post office, state, and ZIP code of contact EXTON, PA 19380	
8 Date of action 12/30/2020		9 Classification and description NONDIVIDEND DISTRIBUTION	
10 CUSIP number 45769N105	11 Serial number(s) N/A	12 Ticker symbol ISSC	13 Account number(s) N/A

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 1

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 1

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 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 ► **SEE ATTACHMENT 1**

18 Can any resulting loss be recognized? ► **SEE ATTACHMENT 1**

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

**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 ►

Print your name ► **RELLAND WINAND**

Title ► **CHIEF FINANCIAL OFFICER**

**Paid
Preparer
Use Only**

Print/Type preparer's name

FRANCIS PERRY

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

P01246192

Firm's name ► **GLOBAL TAX MANAGEMENT, INC.**

Firm's EIN ► **23-2817942**

Firm's address ► **656 E. SWEDSFORD ROAD, SUITE 200, WAYNE PA 19087**

Phone no. **484-395-4000**

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

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:

Record Date	Payable Date	Distribution Rate per Share	Amount Constituting Dividend	Amount Constituting Return of Capital
12/21/2020	12/30/2020	\$0.50	24.82%	75.18%

5

Part II, Box 15

Of the total \$0.50 per share cash distribution on December 30, 2020, the Issuer has calculated that 24% per share of this distribution is out of earnings and profits and is taxable as a dividend. The remaining 76% 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 \$0.50 per share cash distribution as described above is based on a calculation 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) was determined based 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.

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.