

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

18 Can any resulting loss be recognized? ▶ See attachment

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

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 ▶ Sandy Roberts Date ▶ 1/13/2022

Paid Preparer Use Only	Print your name ▶ Sandy Roberts	Preparer's signature	Title ▶ Senior Vice President, Global Tax	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name					
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

STAGWELL INC. (formerly MDC Partners Inc.)
EIN: 86-1390679

ATTACHMENT TO FORM 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
PART II: ORGANIZATIONAL ACTION

The information contained herein is provided pursuant to the requirements of section 6045B of the Internal Revenue Code of 1986, as amended (the “*Code*”), and includes a general summary of certain US federal income tax laws and regulations that are relevant for purposes of determining the effect of the Redomiciliation (as defined below) on the tax basis of the shares of Stagwell Inc. (“*Stagwell*” and such shares, “*Stagwell Shares*”) received by Shareholders of MDC Partners Inc. (“*MDC*”) in exchange for their shares of MDC (“*MDC Shares*”) in connection with the Redomiciliation.

The information contained herein does not constitute tax advice, nor does it purport to be complete or to describe the consequences of the Redomiciliation to particular categories of Shareholders. The information provided below is illustrative only, and is being provided pursuant to Code section 6045B and as a convenience to Shareholders and their tax advisors for purposes of establishing their specific tax positions. You are urged to consult your own tax advisors regarding the particular consequences of the Redomiciliation to you, including the applicability and effect of all US federal, state, local and foreign tax laws.

We also urge you to read the proxy statement/prospectus filed by MDC on Form 424B3 on May 10, 2021 (File No. 333-252829) (the “*Proxy Statement/Prospectus*”), available at: [tm214718-15 424b3 - none - 113.8911385s \(sec.gov\)](https://www.sec.gov/edgar/disclosure/tm214718-15/424b3-none-113.8911385s/sec.gov), as supplemented by the supplement to the Proxy Statement/Prospectus filed on Form 8-K on July 13, 2021 and the supplement to the Proxy Statement/Prospectus filed on Form 8-K on July 19, 2021.

Part I, Box 9 — Classification and Description

As described further below, on July 29, 2021, MDC: (i) changed its jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware, (ii) merged with an indirect, wholly owned subsidiary of MDC with MDC surviving as a direct subsidiary of a newly formed, Delaware-organized, NASDAQ-listed corporation, MDC Stagwell Holdings Inc., and (iii) converted into a single member Delaware limited liability company. These transactions are collectively intended to be treated as a reorganization for US federal income tax purposes within the meaning of Code section 368(a)(1)(F). Subsequently, MDC Stagwell Holdings Inc. changed its name to Stagwell Inc.

As a result of these transactions, each MDC Class A Common Share, each MDC Class B Common Share, each MDC Series 4 Share and each MDC Series 6 Share, in each case held by a non-dissenting holder, was converted into the right to receive a Stagwell Class A Common Share, a

Stagwell Class B Common Share, a Stagwell Series 4 Share or a Stagwell Series 6 Share, respectively.

The MDC Class A Shares immediately prior to the transactions described above were listed on the NYSE under ticker symbol MDCA and had been issued CUSIP number 552697104.

Part II, Box 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 July 29, 2021 (the “*Effective Time*”), MDC: (i) changed its jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware pursuant to a “continuance” effected in accordance with Section 188 of the Canada Business Corporations Act and a concurrent “domestication” effected in accordance with Section 388 of the Delaware General Corporation Law, (ii) merged with an indirect, wholly owned subsidiary of MDC with MDC surviving as a direct subsidiary of a newly formed, Delaware-organized, NASDAQ-listed corporation, MDC Stagwell Holdings Inc., and (iii) converted into a single member Delaware limited liability company with MDC Stagwell Holdings Inc as its sole member (collectively, the “*Redomiciliation*”). The Redomiciliation is intended to be treated as a reorganization for US federal income tax purposes within the meaning of Code section 368(a)(1)(F). Subsequently, MDC Stagwell Holdings Inc. changed its name to Stagwell Inc.

Part II, Box 15 — Description of the Quantitative Effect of the Organizational Action

Assuming the Redomiciliation qualifies as a reorganization under Section 368(a)(1)(F), for US federal income tax purposes, the tax basis of a Stagwell Class A Common Share, Stagwell Class B Common Share, Stagwell Series 4 Share and Stagwell Series 6 Share will equal the tax basis in the MDC Class A Common Share, MDC Class B Common Share, MDC Series 4 Share and MDC Series 6 Share, respectively, surrendered in exchange therefore, increased by the gain recognized by the shareholder in the transaction (if any) or (ii) the amount required to be included in income of the shareholder as a deemed dividend, in each case, as a result of the application of Code Section 367(b). Whether any amount of gain will be required to be recognized or any deemed dividend required to be included in income will depend on the value of the MDC Shares held as of the Effective Time, the percentage ownership of the shareholder in MDC by vote or value and whether certain elections are made by the shareholder.

Shareholders Owning MDC Shares with a Value Less Than \$50,000 at the Effective Time

If Code section 367(b) applies to the Redomiciliation, a shareholder who beneficially owned (actually and constructively) MDC Shares with a fair market value of less than \$50,000 as of the Effective Time generally would not recognize any gain or loss and would not be required to include any amount in income as a deemed dividend in respect of the Redomiciliation.

Shareholders Owning MDC Shares with a Value of at Least \$50,000 at the Effective Time

If Code section 367(b) applies to the Redomiciliation, a shareholder who beneficially owned (actually and constructively) MDC Shares with a fair market value of \$50,000 or more as of the Effective Time, but less than 10% of the total combined voting power of all Classes of MDC stock entitled to vote and less than 10% of the total value of all Classes of MDC stock outstanding (at any point during the period

from January 1, 2021 through the Effective Time), generally would recognize gain (but not loss) in respect of the Redomiciliation as if such shareholder exchanged their MDC Shares for Stagwell Shares in a taxable transaction, unless such US Holder elects in accordance with applicable Treasury Regulations to include in income as a deemed dividend the “all earnings and profits amount” (as defined in the Treasury Regulations under IRC 367(b)) attributable to the MDC Shares held directly by such shareholder as of the Effective Time (such election, a “**Deemed Dividend Election**”). A shareholder who makes a Deemed Dividend Election will increase the tax basis of their Stagwell Shares by the amount per share included as a deemed dividend. Shareholders are encouraged to consult their own tax advisors about the US federal income tax consequences of making or not making a Deemed Dividend Election.

Shareholders Owning 10% or More of the Voting Power or Value of MDC Shares

If Code section 367(b) applies to the Redomiciliation, a shareholder who beneficially owned (actually and constructively) MDC Shares representing at least 10% of the total combined voting power of all Classes of MDC stock entitled to vote or at least 10% of the total value of all Classes of MDC stock outstanding (at any point during the period from January 1, 2021 through the Effective Time) (a “**US 10% Shareholder**”), generally would be required to include in income as a deemed dividend the “all earnings and profits amount” attributable to the MDC Shares held directly by such US Holder. Any US 10% Shareholder that is a corporation should consult their tax advisor regarding the availability of the Code section 245A exemption from a deemed dividend.

Part II, Box 16 — Description of Calculation of the Change

See above. For purposes of determining gain, if any, the fair market value of Stagwell Shares received will be their price on July 29, 2021.

Part II, Box 17 — List the Applicable IRC Section(s) and Subsection(s) upon which the Tax Treatment is Based

The tax treatment above is based on Code Sections 354(a), 358(a), 368(a)(1)(F) and 367(b) and Treasury Regulation Sections 1.367(b)-2 and 1.367(b)-3.

Part II, Box 18 — Can Any Resulting Loss be Recognized?

No.

Part II, Box 19 — Provide Any Other Information Necessary to Implement the Adjustment, Such as the Reportable Tax Year.

The Redomiciliation is reportable in a Shareholder’s tax year that includes July 29, 2021.