

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name The Marcus Corporation		2 Issuer's employer identification number (EIN) 39-1139844	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (414) 905-1100	5 Email address of contact investorrelations@marcuscorp.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 100 East Wisconsin Avenue, Suite 1900		7 City, town, or post office, state, and ZIP code of contact Milwaukee, WI 53202-4125	
8 Date of action 06/01/2023		9 Classification and description 5.00% Convertible Senior Notes due 2025	
10 CUSIP number CUSIP No. 566330 AA4	11 Serial number(s) ISIN No. US566330AA41	12 Ticker symbol MCS	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 ►

[SEE ATTACHMENT](#)

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](#)

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](#)

Part II **Organizational Action** (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► _____

IRC Sections 305(b)(2), 305(c), 301(c), 301(d), and 316

18 Can any resulting loss be recognized? ► _____

This is not a loss transaction

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____

The reportable tax year is calendar year 2023

**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 ► Chad M. Paris Date ► June 6, 2023Print your name ► Chad M. Paris Title ► Chief Financial Officer and Treasurer**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

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

The Marcus Corporation
Attachment to Form 8937
Conversion Rate Adjustment on June 1, 2023

The Marcus Corporation (NYSE:MCS) (the "Company") has outstanding 5.00% Convertible Senior Notes due 2025 (the "Notes"). The Notes are convertible into shares of the Company's common stock at the option of the holders under certain specified circumstances prior to March 15, 2025 or, if on or after March 15, 2025, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The terms of the Notes include antidilutive protections that provide for an increase in the number of shares of common stock to be issued by the Company upon conversion of the Notes in the event that the Company pays quarterly cash dividends on its common stock. This increase in the conversion rate on the Notes occurs on the ex-dividend date for quarterly cash dividends paid.

Section 6045B of the Internal Revenue Code (the "Code") and the Treasury Regulations promulgated thereunder provide that, if a company pays a cash dividend with respect to its stock that results in a conversion rate adjustment on a convertible debt instrument, that adjustment is treated as a deemed distribution under Section 305(b)(2) and (c) of the Code, an information return on Form 8937, Report of Organizational Actions Affecting stock Basis of Securities, must be filed with the Internal Revenue Service, or, in lieu of filing, posted to the company's public website.

The information contained in the attached Form 8937 and this attachment is intended to satisfy the public reporting requirements under Section 6045B of the Code and is intended to provide only a general summary of certain U.S. federal income tax consequences of the conversion rate adjustment. Such information is not intended to be a complete analysis or description of all potential tax consequences of the conversion rate adjustment. You should consult your own tax advisor to determine the particular federal, state, local, or foreign income, reporting, or other tax consequences of the conversion rate adjustment applicable to you.

Line 14 - Description of the Organizational Action

The Company declared a quarterly cash dividend on its common stock of \$0.05 a share, payable on June 15, 2023 to shareholders of record on June 2, 2023 (ex-dividend date of June 1, 2023). Pursuant to Section 14.04(d) of Indenture, dated as of September 22, 2020, if any cash dividend or distribution is made to all or substantially all holders of the common stock, the conversion rate shall be adjusted based on a specified formula described below. The fair market value of such adjustment to the conversion rate is treated as a deemed distribution of property to the holders of the Notes on the ex-dividend date to which Section 301 applies by reason of Section 305(b)(2) and Section 305.

Line 15 - Description of the Quantitative Effect of the Organizational Action

Because there was a cash dividend declared and paid with respect to the common stock and a corresponding conversion rate adjustment, such conversion rate adjustment constitutes a deemed distribution of common stock with respect to each Note to which Section 301 applies. The amount of the deemed distribution with respect to each Note is the fair market value of the incremental share of common stock to which the holder of the Note is entitled by reason of the conversion rate adjustment. The conversion rate on the Notes increased from 91.6622 shares to 91.9631 shares, resulting in a conversion rate adjustment of 0.3009. The conversion rate adjustment multiplied by the per common share market value of \$15.28 on the trading day immediately preceding the ex-dividend date is a deemed dividend of \$4.60 per share. The basis of each Note is also increased by the \$4.60 per share fair market value of the deemed distribution.

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Line 16 - Description of Calculation of the Change

The calculation of the conversion rate adjustment and deemed dividend per \$1,000 of principal on the Notes is as follows:

$$CR' = CR_0 \quad \times \quad \frac{SP_0}{SP_0 - C}$$

$$CR' = 91.6622 \times \frac{15.28}{15.28 - 0.05}$$

$$CR' = \mathbf{91.9631}$$

$$CRA = CR' - CR_0$$

$$CRA = 91.9631 - 91.6622$$

$$\mathbf{CRA = 0.3009}$$

$$\text{Deemed Dividend} = SP_0 \times CRA$$

$$\text{Deemed Dividend} = 15.28 \times 0.3009$$

$$\mathbf{\text{Deemed Dividend} = \$4.60}$$

Where:

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such dividend or distribution;

CR' = the conversion rate in effect immediately after the open of business on the ex-dividend date for such dividend or distribution;

SP_0 = the last reported sale price of the common stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

C = the amount in cash per share the Company distributes to all or substantially all holders of common stock

CRA = the conversion rate adjustment