

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
FORTRESS BIOTECH, INC.		20-5157386	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
ROBYN HUNTER	781-652-4500	RHUNTER@FORTRESSBIOTECH.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
2 GANSEVOORT STREET, 9TH FLOOR		NEW YORK, NY 10014	
8 Date of action		9 Classification and description	
SEPTEMBER 30, 2018		9.375% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
34960Q208	N/A	FBIOP	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 ▶ ON SEPTEMBER 30, 2018, FORTRESS BIOTECH, INC. ("FORTRESS") PAID CASH DISTRIBUTIONS TO ITS 9.375% SERIES A CUMULATIVE REDEEMABLE PERPETUAL PREFERRED STOCK ("SERIES A PREFERRED STOCK") SHAREHOLDERS, WHICH CONSTITUTED A RETURN OF CAPITAL. EACH SERIES A PREFERRED STOCK SHAREHOLDER RECEIVED \$0.5859375 FOR EVERY SHARE HELD AT THE CLOSE OF BUSINESS ON SEPTEMBER 15, 2018.

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 ▶ FORTRESS PAID A CASH DISTRIBUTION OF \$0.5859375 PER SHARE OF SERIES A PREFERRED STOCK ON SEPTEMBER 30, 2018. FORTRESS EXPECTS THAT IT WILL NOT HAVE CURRENT OR ACCUMULATED EARNINGS AND PROFITS AND THAT THE DISTRIBUTION OF \$0.5859375 PER SHARE SHOULD BE TREATED AS A RETURN OF CAPITAL THAT REDUCES THE SHAREHOLDER'S TAX BASIS IN THE STOCK HELD ON A SHARE-BY-SHARE BASIS. TO THE EXTENT THAT THE REDUCTION IS GREATER THAN THE SHAREHOLDER'S TAX BASIS, IT WILL BE TREATED AS GAIN FROM DISPOSITION OF THE SERIES A PREFERRED STOCK.

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 ▶ THE SHAREHOLDER'S TAX BASIS IS REDUCED BY \$0.5859375, MULTIPLIED BY THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK THE SHAREHOLDER OWNS.

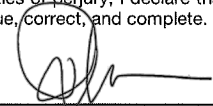
Part II Organizational Action (continued)

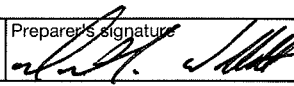
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► INTERNAL REVENUE CODE IRC SECTIONS 301(c), 316(a) AND 1016.

18 Can any resulting loss be recognized? ► THE RETURN OF CAPITAL DISTRIBUTION ON A PER SHARE BASIS SHOULD REDUCE THE SHAREHOLDER'S ADJUSTED TAX BASIS OF EACH SHARE HELD ON THE DATE OF DISTRIBUTION. UPON DISPOSITION OF ALL OR A PORTION OF THE SHARES, THE SHAREHOLDER SHOULD RECOGNIZE GREATER TAX GAIN OR LESS TAX LOSS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR FOR THE DISTRIBUTION FOR EACH SHAREHOLDER IS THE TAXABLE YEAR THAT INCLUDES SEPTEMBER 30, 2018.

THE INFORMATION CONTAINED ON THIS FORM DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS OF SERIES A PREFERRED STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR INDIVIDUAL TAX CONSEQUENCES OF THE DISTRIBUTIONS.

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 ► 07.25.2019
Print your name ► Robyn M. Hunter Title ► CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	MARTIN L. MOFFETT		<u>7/24/19</u>		P00445301
	Firm's name ► MOFFETT & ASSOCIATES	Firm's EIN ►		81-4577171	
	Firm's address ► 1960 E. GRAND AVE, SUITE 280, EL SEGUNDO, CA 90245	Phone no.		310-820-1025	