

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name ARC Group Worldwide, Inc.		2 Issuer's employer identification number (EIN) 87-0454148	
3 Name of contact for additional information Brian Knaley	4 Telephone No. of contact (303) 833-6000	5 Email address of contact bknaley@arcw.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 810 Flightline Blvd		7 City, town, or post office, state, and ZIP code of contact Deland, FL 32724	
8 Date of action February 9, 2018		9 Classification and description Subscription Rights Offering	
10 CUSIP number 00213H105	11 Serial number(s)	12 Ticker symbol ARCW	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 ▶ On February 9, 2018 ARC Group Worldwide, Inc (the "Company" or "ARCW") commenced a rights offering of common stock to stockholders on record as of February 6, 2018 at 5:00 p.m. Eastern Standard Time. Each stockholder received, at no cost to them, one subscription right ("Rights") for each share of ARCW common stock owned ("Rights Offering" or "Offering"). Each subscription right entitled the stockholder to purchase 0.273 shares of ARCW Common Stock at \$2.00 per whole share. The Rights Offering expired on February 28, 2018. Under the Rights Offering, stockholders exercised rights to purchase 5,000,000 shares of ARCW common stock.

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 Statement 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 ▶ The Company has taken the position that the fair market value of the Rights is less than 15% of the fair market value of the stockholder's existing ARCW common stock; therefore, the basis in the Rights is zero. Accordingly, no change in basis results from the Rights Offering.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The applicable Code sections are Sections 305(a), 307(a) and 307(b).

18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a loss for U.S. federal income tax purposes in connection with the Rights Offering.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information herein represents the Company's understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of stockholders, including in particular, the possibility of applying different methods for allocating tax basis. The Company does not provide tax advice to its stockholders. However, to ensure compliance with requirements imposed by the IRS, the Company informs you that any U.S. tax advice contained herein is not intended or written to be used, and cannot be used, for purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter discussed herein.

The reportable tax year for a calendar year stockholder is 2018.

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 ▶ *Brian Knaley* Date ▶ 3/14/18
Print your name ▶ Brian Knaley Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Dan Routh	<i>Dan Routh</i>	3/14/18		P01071969
	Firm's name ▶ RSM US LLP			Firm's EIN ▶ 42-0714325	
	Firm's address ▶ 555 17th St, STE 1000 Denver, CO 80202-3910			Phone no. 303-298-6400	

ARC Group Worldwide, Inc.
87-0454148
Form 8937

Part II - Organizational Action

Line 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.

As a result of the Rights Offering described above, a U.S. taxpayer/shareholder of common stock may have to allocate the original tax basis for the common stock on which the Rights were issued between the common stock and the Rights in proportion to the fair market value of the common stock with respect to which the Rights were issued and the Rights themselves, as of the date of the Rights distribution. This rule would apply if the fair market value of the Rights when distributed is 15 percent or more of the fair market value of the common stock.

However, if the fair market value of the Rights when distributed is less than 15 percent of the fair market value of the holder's existing common stock at the time of distribution, the basis of the Rights will be zero. The shareholder may, however, elect to allocate tax basis under the method discussed above.

In either case, the basis allocated to the Rights will revert to the common stock if the Rights are not exercised or sold.

The Company has determined that the fair market value of the Rights is less than 15 percent of the fair market value of the common stock and that the basis of the Rights is zero absent a shareholder election to allocate basis to the Rights. Accordingly, no quantitative effect on the basis of the common stock results from the Rights Offering.