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

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Star Equity Holdings, Inc. (as acquirer of Star Operating Companies, Inc.)	59-3547281

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Hannah Bible	203-489-9504	legal@starequity.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
53 Forest Ave., Suite 101	Old Greenwich, CT 06092

8 Date of action	9 Classification and description
08/22/2025	STRR Series A Cumulative Perpetual Preferred Stock

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
443787304		STRRP	

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 ▶ 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

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 ▶ Matt K [illegible] Date ▶ 10/1/25

Print your name ▶ Matthew Diamond Title ▶ Chief Accounting Officer

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

Star Equity Holdings, Inc. (f/k/a Hudson Global Inc.)
as acquiror of Star Operating Companies, Inc. (f/k/a Star Equity Holdings, Inc.)
Attachment to Form 8937 Part II Report of Organizational Actions Affecting Basis of Securities

Part II, Question 14 On August 22, 2025 (the "Effective Date"), Star Equity Holdings Inc. (f/k/a Hudson Global Inc.) EIN: 59-3547281 ("STRR/Former HSON"), completed its previously announced acquisition (the "Merger") of Star Operating Companies, Inc. (f/k/a Star Equity Holdings, Inc.) EIN: 33-0145723 ("Former Star"), pursuant to the Agreement and Plan of Merger, dated as of May 21, 2025 (the "Merger Agreement"), by and among STRR/Former HSON, Former Star, and HSON Merger Sub, Inc., a wholly owned subsidiary of STRR ("Merger Sub"). Upon the terms and subject to the conditions of the Merger Agreement, on the Effective Date, Merger Sub merged with and into Former Star, with Former Star continuing as the surviving corporation of the Merger under the name "Star Operating Companies, Inc." as a wholly owned subsidiary of STRR/Former HSON.

On the terms and subject to the conditions set forth in the Merger Agreement, at the Effective Date of the Merger, each share of 10.0% Series A Cumulative Perpetual Preferred Stock, par value $0.0001 per share, of Former Star ("Former Star Series A Preferred Stock") was automatically cancelled and converted into the right to receive a share of STRR/Former HSON 10.0% Series A Cumulative Perpetual Preferred Stock, par value $.001 per share ("STRR/Former HSON Series A Preferred Stock") which is the exchange ratio defined in the Merger Agreement.

The Former Star Series A Preferred Stock traded on the NASDAQ Exchange under the ticker symbol "STRRP", until the Merger. After the Merger STRR/Former HSON Series A Preferred Stock traded on the NASDAQ Exchange under the ticker symbol "STRRP".

STRR/Former HSON described the material U.S. federal income tax consequences of the Merger on its Joint Proxy Statement/Prospectus, filed with the Securities and Exchange Commission (Registration No. 333-288531) (as amended, the "Registration Statement") and declared effective on July 22, 2025.

Part II, Question 15 The Merger was a taxable transaction for U.S. federal income tax purposes. In general, a holder of Former Star Series A Preferred Stock whose shares were converted into STRR/Former HSON Series A Preferred Stock recognized gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount realized in the Merger and the holder's tax basis in the shares of Former STRR Series A Preferred Stock exchanged. The amount realized by a holder of Former Star Series A Preferred Stock in the Merger is generally the sum of the fair market value of the STRR/Former HSON Series A Preferred Stock received by such shareholder in the Merger. A holder's

adjusted tax basis in the holder's Former Star Series A Preferred Stock is generally equal to the price the holder paid for such shares. Gain or loss will be determined separately for each block of shares of Former Star Series A Preferred Stock (i.e., shares of Former Star Series A Preferred Stock acquired at the same cost in a single transaction). A holder of Star Series A Preferred Stock that received STRR/Former HSON Series A Preferred Stock pursuant to the Merger will have an initial basis in the STRR/Former HSON Series A Preferred Stock equal to the fair market value of such stock as of the Merger.

Part II, Question 16 U.S. federal income tax laws do not specify how to determine fair market value. One approach is to use the last closing price on the Effective Date of $9.07, which is the covered basis reported by the STRR/HSON transfer agent. However, other approaches may be reasonable. Neither STRR/Former HSON or Former Star is taking a position as to the fair market value of the STRR/Former HSON Series A Preferred Stock on this Form 8937, and you should consult your own tax advisors as to the fair market value of STRR/Former HSON Series A Preferred Stock received in the merger.

Part II, Question 17 IRC Sections 1001 and 1012.

Part II, Question 18 Yes.

Part II, Question 19 The reportable year for the Merger is the taxable year of the holder that includes August 22, 2025.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES DISCUSSED IN THIS FORM 8937 ARE FOR GENERAL INFORMATION ONLY AND DO NOT CONSTITUTE TAX ADVICE TO ANY HOLDER OF STRR/FORMER HSON SERIES A PREFERRED STOCK OR FORMER STAR SERIES A PREFERRED STOCK. EACH HOLDER OF STRR/FORMER HSON SERIES A PREFERRED STOCK OR FORMER STAR SERIES A PREFERRED STOCK SHOULD CONSULT HIS OR HER OWN TAX ADVISOR AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO THE HOLDER. FOR A MORE DETAILED DESCRIPTION ABOUT THE TAX CONSEQUENCES OF THE TRANSACTION PLEASE SEE "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE MERGER" IN THE REGISTRATION STATEMENT.