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 CompoSecure, Inc.			2 Issuer's employer identification number (EIN) 85-2749902
3 Name of contact for additional information Timothy Fitzsimmons	4 Telephone No. of contact 908-518-0500 ext. 1390		5 Email address of contact tfitzsimmons@composecure.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 309 Pierce Street			7 City, town, or post office, state, and ZIP code of contact Somerset, NJ 08873
8 Date of action February 28, 2025	9 Classification and description CompoSecure, Inc. Class A Common Stock and Warrants to acquire Class A Common Stock		
10 CUSIP number 20459V105; 20459V113	11 Serial number(s) N/A	12 Ticker symbol CMPO; CMPOW	13 Account number(s) 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 ▶ See Appendix A attached hereto.

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 Appendix A attached hereto.

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 Appendix A attached hereto.

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 Appendix A attached hereto.

18 Can any resulting loss be recognized? ▶ See Appendix A attached hereto.

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

See Appendix A attached hereto.

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 ▶ Qge l_rspc ml dgjc Date ▶

Print your name ▶ Timothy Fitzsimmons Title ▶ Chief Financial 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

DRAFT

CompoSecure, Inc.

Appendix A to Form 8937

Q1 2025 Spin-Off of Resolute Holdings and related Warrant Adjustment

The information contained in the attached Form 8937 and this Appendix A is intended to satisfy the public reporting requirements under Section 6045B of the Internal Revenue Code and is intended to provide only a general summary of the effect on a security holder's basis as a result of the distribution of shares of common stock of Resolute Holdings (defined below) and the below described Warrant Adjustments (defined below). Such information is not intended to be a complete analysis or description of all potential tax consequences of the Spin-Off (defined below) distribution or the Warrant Adjustments. You should consult with your own tax advisor to determine the particular federal, state, local, or foreign income, reporting, or other tax consequences of the Spin-Off distribution or Warrant adjustments applicable to you.

Disclaimer: The information in Form 8937 and this attachment do not constitute tax advice and do not purport to take into account the specific circumstances that may apply to particular categories of shareholders. The information set forth below reflects our expectations as to certain U.S. federal income tax consequences of the transactions below. No assurances can be given that the U.S. Internal Revenue Service will not disagree with or challenge the expected treatment of the transactions and the resulting consequences described herein. Each shareholder or warrantholder is urged to consult his, her, or its own tax advisor regarding the consequences of the transactions described herein, including the impact on tax basis resulting therefrom, any tax return reporting requirements, and the applicability and effect of U.S. federal, state, local, and foreign income and other tax laws in light of their own circumstances.

Line 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 December 30, 2024, CompoSecure, Inc. ("CompoSecure" or the "Company") announced plans to distribute 100% of the shares of common stock of Resolute Holdings Management, Inc. ("Resolute Holdings") to holders of the Company's Class A common stock (the "Spin-Off"). The Spin-Off distribution occurred on February 28, 2025 (the "Distribution Date") and each holder of CompoSecure Class A common stock as of the close of business on the record date of February 20, 2025 received 1 share of Resolute Holdings for every 12 shares of CompoSecure Class A common stock then held (with cash being received in lieu of the issuance of any fractional shares of Resolute Holdings common stock). Pursuant to Section 4.12 of the Warrant Agreement governing the Company's outstanding Warrants to purchase shares of CompoSecure's Class A common stock (the "Warrant Agreement"), the completion of the Spin-Off resulted in an adjustment to the Warrant exercise price, which has been reduced from $11.50 per share of CompoSecure's Class A common stock to $7.97 per share of CompoSecure's Class A common stock (the "Warrant Exercise

Price Adjustment”). Correspondingly, pursuant to Section 6.1 of the Warrant Agreement, the Redemption Trigger Price (as defined in the Warrant Agreement) decreased by the same amount, from $18.00 to $14.47 (the “Warrant Redemption Trigger Price Adjustment” and, together with the Warrant Exercise Price Adjustment, the “Warrant Adjustments”).

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.

Spin-Off

The Spin-Off transaction is intended to be a distribution to which IRC Section 301 applies. The basis in each share of Resolute Holdings distributed in the Spin-Off is expected to equal its fair market value at the time of the Spin-Off. The Company has worked with third-party advisors to determine the value of the Resolute holdings common stock at the time of the Spin-Off at $106.4 million.

Based on the information currently available, the Company calculates that approximately $81.2 million (or 76.6%) of the Spin-Off distribution will be treated as a dividend, with the remaining approximately $25.2 million (or 23.6%) of the Spin-Off distribution treated as a non-taxable return of basis on shares of CompoSecure’s Class A common stock, or gain from the sale or exchange of capital assets (to the extent the total distribution exceeds both earnings and profits and basis in the Class A common stock). The table below shows the amount of the Spin-Off distribution, as well as the non-taxable portion of the distribution per Class A common stock:[1]

Distribution Date	Distribution	Non Taxable Portion
February 28, 2025	$0.84	$0.26

Accordingly, the Company anticipates that the Spin-Off distribution will affect the basis of any CompoSecure shareholder in their shares of CompoSecure’s Class A common stock.

The final calculation of earnings and profits will be determined after the 2025 federal income tax return is filed. As such, the Company expects to file an amended Form 8937 at a later date when updated information is available.

Warrant Adjustments

The Warrant Adjustments are expected to be treated as a deemed distribution of property to the holders of the Warrants to which IRC Section 301 applies by reason of IRC Section 305(c) and Treas. Reg. § 1.305-7(a). The basis of a Warrant in the hands of the taxpayer is increased by the fair market value of the deemed distribution to that Warrant, and is reduced by the portion of the distribution that is treated as a non-taxable return of basis. Based on the information currently available, the Company assumes that it will have sufficient current and accumulated E&P to treat approximately 76.4% of the deemed distribution relating to the Warrant Adjustments as a dividend. The remaining 23.6% of the deemed distribution relating to the Warrant Adjustments is expected to be treated as a

[1] The per-share amount of the distribution was determined using the total Class A common stock outstanding as of February 28, 2025.

non-taxable return of basis on the Warrants in the hands of the warrant holders, or gain from the sale or exchange of a capital asset (to the extent the total distribution exceeds both earnings and profits and basis in the Warrants). The table below shows the amount of the deemed distribution (calculated in accordance with the methodology described in Line 16), as well as the non-taxable portion of the deemed distribution per outstanding Warrant:

Deemed Distribution Date	Deemed Distribution	Non Taxable Portion
February 28, 2025	$1.86	$0.57

The final calculation of earnings and profits will be determined after the 2025 federal income tax return is filed. As such, the Company expects to file an amended Form 8937 at a later date when updated information is available.

Line 16: Describe the calculation of the change in basis and the date that supports the calculation, such as the market value of securities and valuation dates.

The valuation reference date is February 28, 2025, the Distribution Date with respect to the Spin-Off.

Spin-Off

As noted above, the Company currently anticipates that the Spin-Off will be treated partially as a dividend, partially as a return on basis or gain on the sale or exchange of a capital asset; accordingly, a change in basis to the stock of CompoSecure is expected due to the Spin-Off.

Warrant Adjustment

Under IRC Section 305(c) and Proposed Regulations enacted thereunder, the fair market value of the deemed distribution related to the Warrant Adjustment is calculated as the excess of (A) the fair market value of the right to acquire stock held by the deemed shareholder immediately after the applicable adjustment, over (B) the fair market value, determined immediately after the applicable adjustment, of such right to acquire stock as if no applicable adjustment had occurred.

Immediately after the Warrant Adjustment, the value of the Warrant was determined to be $[5.05] (i.e., amount (A)). The fair market value, determined immediately after the Warrant Adjustment but as if no Warrant Adjustment had occurred, of the Warrant was determined to be $[2.62] (i.e., amount (B)). Accordingly, the fair market value of the deemed distribution related to the Warrant Adjustment is $[2.43] (i.e., amount (A) *less* amount (B)).

In connection with this filing, a valuation firm was engaged to determine the change in value of the Warrant as a result of the Warrant Adjustment. The valuation professionals utilized a Binomial Lattice model to determine amounts (A) and (B) and extrapolate the amount of the deemed distribution therefrom.

Line 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; Treas. Reg. § 1.305-7(a)

Line 18: Can any resulting loss be recognized?

No, neither the Spin-Off nor the Warrant Adjustments resulted in a loss.

Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The reportable tax year is calendar year 2025.